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Report to the Chairmen
Committee on the Judiciary
United States Senate and
Committee on the Judiciary
House of Representatives

April 1986

REFUGEE PROGRAM

Initial Reception and Placement of New Arrivals Should Be Improved

COMPLETED

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ORIGINAL

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

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ERRATA SHEET

To the recipients of the General Accounting Office report entitled REFUGEE PROGRAM Initial Reception and Placement of New Arrivals Should Be Improved, GAO/NSIAD-86-69, April 7, 1986, Table I.16, page 58 should read as follows:

	Employed refugees		Unemployed refugees	
Number of Contacts	(number)	(percent)	(number)	(percent)

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Washington, D.C. 20548

National Security and
International Affairs Division

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The Honorable Strom Thurmond
Chairman, Committee on the Judiciary
United States Senate

The Honorable Peter W. Rodino, Jr.
Chairman, Committee on the Judiciary
House of Representatives

Public Law 97-363 requires the General Accounting Office to audit fiscal year 1984 and 1985 federal funds expended under the State Department's initial refugee reception and placement program. This report covers the fiscal year 1984 program. It discusses the need for program goal clarification, minimum performance standards, and improved financial accountability concerning the initial reception and placement of refugees in the United States.

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of State.

Frank C. Conahan
Director

Executive Summary

Purpose of This Review

Congressional concern regarding voluntary agencies' use of per capita grant funds resulted in a provision in the Refugee Assistance Amendments Act of 1982 (Public Law 97-363) which requires GAO to audit fiscal years 1984 and 1985 funds expended under the State Department's initial refugee reception and placement program.

Congressional interest focused on an independent review of the State Department's management of federal funds and the voluntary agencies' distribution and use of program funds. Thus, GAO designed its review to

- assess the status of refugees after their first 90 days in the United States and the extent to which grant funds helped them move toward self-sufficiency;
- evaluate the State Department's management of the initial refugee resettlement program; and
- assess voluntary agency accountability for funds received to provide services to refugees.

Background

The State Department awards per capita grants to voluntary agencies to provide, or refer refugees to, core services such as food, clothing, shelter, and employment assistance during their first 90 days in the United States. The ultimate goal set forth in the cooperative agreements between State and the agencies calls for assisting the refugees to self-sufficiency through employment as soon as feasible after arrival. The agencies use the volunteer services of co-sponsors such as family, friends, or churches. In fiscal year 1984, the reception and placement program amounted to $36.7 million. GAO reviewed 592 case files covering 1454 refugees who arrived in five U. S. metropolitan areas in April 1984; this represents 100 percent of the refugees arriving in those areas in that month and 31.5 percent of all refugees arriving in the United States in April 1984.

Results in Brief

The reception and placement program provided core services to refugees in GAO's sample. Although voluntary agencies stated that the program has worked well in some communities, most refugees in GAO's sample were not employed at the end of 90 days, and there is uncertainty about what the possible accomplishment of the self-sufficiency part of the program goal means. In addition, State and the agencies continue to face the tendency of refugees to use public assistance.

State needs to develop specific performance standards with which to evaluate effectiveness in achieving program goals and to improve its monitoring of the program. The Congress has expressed concern over the voluntary agencies' use of funds. However, State's use of the per capita grant funding mechanism entails minimal accountability over the use of the funds. Several actions are available to State for improving accountability and control.

Principal Findings

Core Services

Most of the refugees in GAO's analysis received the required core services. At least 94.3 percent received the nesting services such as food, clothing, and shelter whereas at least 84.1 percent received the general employment-related services of counseling, training, and/or placement. (See p. 16.)

Employment

About 15 percent of the refugees in GAO's sample had jobs at the time of its review. Refugees with no ties in the United States, those of non-Indochinese descent, and those resettled outside California were more likely to be employed. Numerous reasons were given for refugee unemployment; some, such as refugees responsible for dependent care and those with health problems, are of a potential long-term nature, while others, like refugees taking, or needing, English, vocational, or academic training, seem temporary. Still others, however, like refugees who are not aggressively seeking employment, prefer cash assistance, or have turned down employment offers may be more difficult to place into jobs. In 61.6 percent of GAO's sample cases, at least one case member applied for public assistance. (See p. 18.)

Goals

It is unclear whether the 90-day initial resettlement program should focus on employment, or on the survival core services. State has not defined refugee self-sufficiency or clarified (1) what is meant by "as soon as feasible" with respect to self-sufficiency, (2) why only one core service relates specifically to employment, and (3) what are acceptable reasons for refugees refusing employment/accessing the public welfare system (i.e., who are the employable?). Voluntary agencies pointed out that the public assistance rules and practices followed by state and local government agencies and their impact on refugee resettlement are

important factors for consideration in establishing the goals of the initial refugee reception and placement program. (See p. 20.)

Performance Standards

State's monitoring teams address the agencies' efforts to provide core services and to instill the need for employment but do not use measurable factors, such as employment/welfare dependency rates, to evaluate agency performance. (See p. 30.)

Accountability

On the basis of its position that the federal government normally provides refugee reception and placement assistance on a per capita grant basis rather than cost reimbursable basis, State has incorporated only limited accountability into the program. Consequently, State places few restrictions on agencies' use of funds and has little basis for evaluating the appropriateness or reasonableness of expenditures. Current financial reports prepared by voluntary agencies are of little use because such reports do not disclose the total costs incurred in resettling refugees. Therefore, State has neither determined if the federal share of resettlement costs is sufficient nor substantiated the need for changes to the per capita amounts. (See p. 41.)

Actions available to State for improving accountability and control include adhering to Office of Management and Budget circulars covering reasonableness of costs and imposing certain restrictions on use of funds. Even though most of these actions are requirements normally associated with cost reimbursement contracts, they may be equally appropriate to per capita grants. (See p. 46.)

Recommendations

GAO recommends that the Secretary of State require the Director, Bureau for Refugee Programs, to

- clarify the reception and placement program's self-sufficiency goals focusing on determining which refugees are employable and when they can be reasonably expected to become employed;
- establish and apply reasonable and measurable performance standards for monitoring program accomplishments; and
- consider the need for specific actions to improve the level of accountability and control required to adequately oversee the refugee program.

Agency Comments

The Department of State and the American Council for Voluntary International Action generally agreed with the report's major conclusions and recommendations on the need for program goal clarification, performance standards, and financial accountability. The full text of State's and InterAction's comments, and GAO's responses are in appendices II and III.

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Abbreviations

ACNS	American Council for Nationalities Services
AFCR	American Fund for Czechoslovak Refugees, Inc.
CWS	Church World Service
GAO	General Accounting Office
HIAS	Hebrew Immigrant Aid Society
HHS	Department of Heath and Human Services
IRC	International Rescue Committee
LIRS	Lutheran Immigration and Refugee Service
OMB	Office of Management and Budget
ORR	Office of Refugee Resettlement
PAIRC	Polish American Immigration and Relief Committee
PBF	Presiding Bishop's Fund for World Relief
SSI	Supplemental Security Income
USCC	United States Catholic Conference
WRRS	World Relief Refugee Services

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Introduction

The Congress, reacting to concern over use of federal funds and continued high unemployment rates for refugees, included in the Refugee Assistance Amendments Act of 1982 (Public Law 97-363), a requirement that we audit fiscal years 1984 and 1985 funds expended under the State Department's initial refugee reception and placement program. This report addresses the fiscal year 1984 program.

Background

The United States has a long-standing tradition of providing refuge to persons fleeing persecution in their homelands. For many years, refugees were resettled by non-profit, voluntary agencies which usually used their own funds and private resources. With the influx of large numbers of Cuban refugees in the 1960's and Indochinese refugees in the 1970's, the U.S. government began providing financial assistance to the voluntary agencies for refugee resettlement.

The State Department-managed reception and placement program is but one aspect of a U.S. effort to provide resettlement assistance to refugees. For instance, many private and public organizations have assisted in refugee resettlement, including federal, state, and local governments, voluntary agencies, and service providers. In addition, refugees received assistance under an assortment of legislative programs administered by a number of agencies and organizations. Even though there was not a closely coordinated approach to providing this assistance, through a network of providers and servers more than 937,000 refugees, of which over 700,000 were from southeast Asia, have been resettled in the United States over the past 10 years.

The Refugee Act of 1980 (Public Law 96-212) provided a systematic and permanent procedure for admitting refugees to the United States and established comprehensive and uniform provisions to resettle the refugees as quickly as possible and to encourage them to self-sufficiency. The Act also specified key positions at the federal and state levels to carry out these objectives.

The Act did not specify the organizational unit within the State Department responsible for refugee program operations, and currently, the responsibility is held by the Bureau for Refugee Programs. The Bureau, created in 1979 as the Office of Refugee Programs to consolidate many federally supported domestic and international refugee assistance programs, including the initial refugee reception and placement program,

- develops and implements policy on reception and placement of refugees;

- drafts and negotiates with voluntary agencies the cooperative agreements which specify services to be provided to refugees;
- monitors on-site the voluntary agencies' local affiliates;
- monitors through the American Council for Voluntary International Action, the allocation and placement policies;
- acts as liaison between overseas and domestic programs, especially with regard to sponsorship assurances; and
- coordinates activities with the Department of Health and Human Services, Office of Refugee Resettlement.

The State Department awards per capita grants to voluntary agencies to provide, or refer refugees to, core services, such as food, clothing, and shelter, during their first 90 days in the United States. Pursuant to the Refugee Act and to State policy, the ultimate goal of the initial resettlement services is to assist the refugees to self-sufficiency through employment as soon as feasible after arrival in the United States. The voluntary agencies use volunteered service of co-sponsors—a refugee's relative or friend, American family, or church congregation, for example—to assist in accomplishing these goals.

In fiscal year 1984, 12 voluntary agencies and their affiliates and two states, Idaho and Iowa, participated in the program. At the beginning of fiscal year 1984, the per capita rate was $365 for European refugees and $525 for all other refugees. On March 1, 1984, the per capita rates increased to $390 and $560, respectively. The Refugee Bureau's cost for resettling 71,113 refugees was about $36.7 million in fiscal year 1984.

The Refugee Act legislated the position of U.S. Coordinator for Refugee Affairs, previously established by an Executive Order. The Coordinator is appointed by the President and, among other duties, is responsible for (1) developing overall refugee admission and resettlement policy and (2) coordinating all domestic and international refugee programs.

The Refugee Act also gave the Office of Refugee Resettlement (ORR) in the Department of Health and Human Services (HHS), responsibility for administering domestic refugee resettlement and assistance programs, such as social and employment services and cash and medical assistance. The states administer federally funded assistance programs, but some programs are carried out by other public or private agencies. To receive funds from ORR, each state must designate one person to coordinate public and private resources for refugee resettlement. ORR said it paid about $424.1 million, in fiscal year 1984 to the states for cash and

medical assistance, social services, aid to unaccompanied minors, and administrative costs.

1985 Proposed Legislation

In the 1985 session of the Congress, the House and Senate Committees on the Judiciary introduced a number of new provisions to be enacted into the Refugee Assistance Extension Act of 1985 relative to some of the matters discussed in this report. Although the proposed act did not pass during the first session, the proposed amendments illustrate the concern of the Committees over the reception, placement, and resettlement of refugees arriving in the United States.

The House and Senate bills (H.R. 1452, 99th Cong., 1st. sess., sec. 5.(b) and S.1262, 99th Cong., 1st. sess., sec. 3(b)) contained provisions requiring (1) voluntary agencies that participate in the initial reception and placement grant program to provide periodic performance and financial status reports, to exchange information on refugees' employment status, and to coordinate with state and local welfare offices and (2) the State Department to establish criteria for the performance of the voluntary agencies receiving per capita grants under the refugee reception and placement program. The House bill also would have required the agencies to provide the State Department with expenditure reports showing program and administrative expenses as well as other reports on such matters as refugees receiving cash and medical assistance from other sources, the extent of agencies' coordination with local social and welfare offices, and the voluntary agencies' monitoring of refugees' placement and the activities of the agencies' local affiliates. The proposed legislative requirements appear to be consistent with the results of our review of the refugee reception and placement program.

Objectives, Scope, and Methodology

We designed our audit work to accomplish the following objectives.

- Assess the status of refugees after their first 90 days in the United States and the extent to which grant funds helped them move toward self-sufficiency.
- Evaluate the State Department's management of the initial refugee reception and placement program.
- Assess voluntary agency accountability for funds received to provide services to refugees.

To accomplish the first objective, we reviewed and analyzed the Refugee Bureau's policies and procedures when awarding funds to voluntary agencies for refugee resettlement, including

- requests for program proposals and proposal evaluation processes;
- development of cooperative agreements and negotiations;
- procedures for awarding grant funds;
- monitoring of compliance with the cooperative agreement through receipt and use of financial and program reports and site visits; and
- on-site monitoring of agency affiliates' performance in assuring refugee receipt of needed services.

We reviewed the legislative history of the program, Bureau files, and other documentation pertaining to the program, development of the standard cooperative agreement and its attachments, and voluntary agency proposals and financial and program reports. We interviewed Bureau officials responsible for managing the program. We discussed with State Department Inspector General officials their audits of Bureau operations and voluntary agencies.

To become familiar with resettlement program relationships between the Bureau and ORR, we discussed with ORR officials their grants administration procedures and their involvement with refugee resettlement. We also attended two ORR regional consultation conferences in Philadelphia and San Francisco.

We interviewed officials of the 12 voluntary agencies participating in the fiscal year 1984 initial resettlement program about their financial accounting systems and affiliate monitoring programs. We reviewed documentation pertaining to both. We did not conduct a complete financial audit of the agencies because each agency at the national level and most, if not all, of their affiliate offices are audited periodically by certified public accountants. Many voluntary agencies have been audited by the State Department's Inspector General as well. We limited our review of the agencies' accountability to determining the capability of each agency's accounting system.

To assess refugee status and receipt of core services, we used

- a standardized interview to obtain data from voluntary agency affiliates on their refugee resettlement programs;
- a data collection instrument to obtain information on services rendered to refugees from case files maintained by the affiliates; and

- a standardized interview to obtain refugee opinions on their resettlement.

We administered these instruments at the agencies' affiliate offices in Chicago, Houston, Los Angeles, San Francisco, and the Northern Virginia/Washington, D.C./Baltimore areas. We selected the five areas because large numbers of refugees have historically resettled in these regions. We selected April 1984 as our base month because Refugee Bureau and voluntary agency officials signed the fiscal year 1984 cooperative agreement on March 1, 1984, and the agencies and their affiliates had the opportunity to implement changes in the agreement.[1] We selected the 43 affiliates located in these five metropolitans areas which resettled refugees during April 1984. We reviewed 592 case files covering 1,454 refugees arriving in April 1984, representing 100 percent of the April arrivals in the five areas and almost a third of the 4,575 April arrivals throughout the United States. (See app. I for a detailed analysis.) We interviewed the principal applicants of about 10 percent of the total April 1984 caseload in each area with emphasis on interviewing at least one refugee at each affiliate. This was not accomplished at all affiliates, however, because some refugees elected not to speak with us or because all April 1984 arrivals had already migrated to different areas.

Our primary purpose was to determine whether these refugees received the core services specified in the cooperative agreement and how many attained self-sufficiency within or shortly after their first 90 days in the United States. The term self-sufficiency in this report refers to refugees employed and not dependent on welfare. We also examined sponsorship arrangements, the nature and extent of voluntary agency contact with the refugees throughout the 90-day period, and reasons for unemployment.

Our sample population was not identical to the U.S. refugee population because we excluded the refugee population in small communities and rural areas throughout the United States. However, it was similar to the U.S. refugee population in areas where refugee resettlement had been concentrated and thus where a large proportion of the refugees were located for whom the State Department had paid per capita grant funds to voluntary agencies.

[1]Refugee Bureau and voluntary agency officials could not reach agreement on the cooperative agreement prior to the start of fiscal year 1984. The Bureau awarded funds to the agencies from October 1, 1983 to February 29, 1984, under amendments to the fiscal year 1983 agreement.

We also discussed refugee resettlement with the Refugee Coordinator, or a representative of the Coordinator, in each of the states or localities visited. In addition to the formal comments on this report made by the Department of State and the American Council for Voluntary International Action we received suggestions from the Department of Health and Human Services and individual voluntary agencies. These suggestions have been incorporated into the report where appropriate. We conducted our work from April 1984 through March 1985 in accordance with generally accepted government auditing standards.

Reception and Placement Goals Should Be Clarified to Minimize Varied Program Implementation

The State Department's reception and placement program's stated goal has evolved from refugee sponsorship and placement to assisting and actively encouraging refugees to become self-sufficient. The refugee population has also changed significantly, from a relatively wealthy and educated group in the 1970's to a poorer and less educated group in the 1980's.

Analysis of our data collection instrument results (see app. I) indicates that the refugees in our April 1984 sample received the core services specified in the cooperative agreement during their first 90 days in the United States. Co-sponsors were more involved in providing the "nesting" services of food, clothing, and shelter, while agency affiliates were more involved in providing, or referring refugees to, orientation and counseling services, including employment-related services.

About 15 percent of the refugees from ages 16 to 64 in our sample were employed at the time of our review. We found that refugees with no ties in the United States, non-Indochinese refugees, and refugees resettled outside California were more likely to be employed. Furthermore, in 61.6 percent of our cases, at least one case member applied for public assistance.

Although the Refugee Assistance Amendments Act of 1982 clearly emphasized self-sufficiency through employment for refugees as soon as feasible, it did not clarify when self-sufficiency was to be achieved. State's cooperative agreements with voluntary agencies cite refugee employment as the ultimate goal of the core services to be provided during the refugees' first 90 days in the United States.[1] Varied program management and implementation by all program participants, including State Department officials, voluntary agencies, and service providers, reflect uncertainty about the program's goals and when they should be achieved.

Provision of Core Services

At least 94 percent of the case files we reviewed indicated that the refugees received transportation to an initial residence, food, clothing, and shelter and that 96 percent also received orientation on life in America

[1]State Department, in commenting on this statement, said voluntary agencies are to encourage refugees to become self-sufficient and not be dependent on public assistance. However, State also said that though it is an ultimate goal, employment is neither a requirement of the cooperative agreement nor an expected outcome within the initial 90-day period.

and health care systems.[2] Fewer refugees, 84 percent, received job counseling, training, and/or placement, but case files indicated that another 10 percent did not need these services.

In at least 45 percent of the cases, co-sponsors provided the nesting services, while voluntary agency affiliates provided them in up to 23 percent of the cases. This data corresponds, for the most part, to responses by voluntary agency affiliate staff to our questionnaire, which indicated that they rely on co-sponsors for nesting services while they focus on the counseling and referral services.

Nesting Services

Sample results indicate that new refugee arrivals receive the nesting services in a variety of ways. Church World Service (CWS), Lutheran Immigration and Relief Service (LIRS), and World Relief and Refugee Services (WRRS) affiliates relied almost totally on co-sponsors to provide nesting services; the Presiding Bishop's Fund for World Relief (PBF) relied 100 percent on co-sponsors. The American Council for Nationalities Services (ACNS), Hebrew Immigrant Aid Society (HIAS), International Relief Committee (IRC), and Tolstoy Foundation affiliates, on the other hand, used their own resources for some refugees and relied on co-sponsors for nesting services for others. The United States Catholic Conference (USCC) shared responsibility with co-sponsors in providing nesting services , except that co-sponsors provided airport reception and transportation to initial housing.

LIRS, WRRS, and USCC generally provided nesting services independently to non-Indochinese refugees, even though they resettled a larger percentage of Indochinese than non-Indochinese refugees. These agencies relied almost totally on the Indochinese refugees' co-sponsors, who were primarily other Southeast Asians and some of whom were also refugees, to provide nesting services. LIRS officials commented that other than in heavily refugee impacted areas, such as those included in our survey, the LIRS system encourages congregational sponsorship.

American Fund for Czechoslovak Refugees (AFCR) and the Polish American Immigration and Relief Committee (PAIRC) resettled 12 and 5 cases,

[2]The 43 voluntary agency affiliates we visited maintained case files or some form of records to document provision of core services and refugee resettlement for 98.6 percent of the cases we reviewed. Not all files were complete and up to date; hence, our results are based on case files we reviewed, supplemented by discussions with agency affiliate staff to provide missing data.

respectively, in April 1984. While these numbers are too small to indicate individual voluntary agency trends, results of our case file review indicate a reliance on co-sponsors to provide the nesting services.

Orientation and Counseling Services

Sample results indicate that no voluntary agency relied solely on co-sponsors to provide orientation and counseling services. Four agencies—LIRS, CWS, WRRS, and HIAS—split the responsibility, providing the services themselves to some refugees and relying on co-sponsors to provide them to other refugees. USCC, ACNS, Tolstoy, IRC, and AFCR provided these services themselves to a much larger degree. PBF shared the responsibility with co-sponsors but provided health and employment services on its own.

The Buddhist Council provides core services differently than the other voluntary agencies. The Council, whose reported revenue comes mainly from federal funds, transports most arriving refugees to its training facility in Northern California, where refugees receive room and board, a small allowance, and all other essentials, including vocational training. However, all refugees are screened for welfare eligibility upon arrival and receive cash assistance through state and federal government programs while at the facility. The refugees use the cash assistance to reimburse the facility for room and board according to the local government's established guidelines. Many refugees accumulate savings during their stay there and use the savings, as well as a small stipend from the Buddhist Council, for permanent resettlement at another location.

Core Services Do Not Lead to Refugee Self-Sufficiency

The cooperative agreement between the Department of State and voluntary agencies requires the agencies to provide core services to refugees during their first 90 days in the United States but does not define self-sufficiency nor state precisely when it is expected to be attained. Even though State says that self-sufficiency is encouraged but not required under the cooperative agreements, early self-sufficiency is the stated goal of the Refugee Act and the Congress intended that refugee assistance should enable "employable refugees" to be placed in jobs as soon as possible after arrival in this country. Therefore, in this report, we define self-sufficiency as being employed and/or not dependent on welfare and we used the 90 days stipulated in the cooperative agreement as the appropriate time to start checking the refugees' achievement of self-sufficiency. Using this criteria, the core services do not appear to be leading refugees to self-sufficiency, at least over the short term.

Our sample of April 1984 refugee arrivals included 930 persons of employable age.[3] Of these, 77.5 percent (721) were not employed and only 15 percent (139) had jobs at the end of 90 days. Employment data was not available for the other 7.5 percent. The case files indicated numerous reasons for unemployment, several of which are of a potential long-term nature, such as dependent care and health problems. Other reasons seem temporary, such as taking or needing English, vocational, or academic training. Still others may be the most difficult to deal with, such as refugees who are not aggressively seeking employment, prefer cash assistance, or have turned down employment offers.

The Senate Committee Report on the 1982 Refugee Assistance Amendments states that the inability to speak English does not constitute a basis for postponing the search for employment or for doing so half-heartedly. The amendment itself emphasized the need for refugees to be employed at the earliest possible date, even at the expense of English language training. Our interviews with selected refugees confirmed some refugees' preference for learning English and/or a skill before seeking employment. For example, a 32 year old Polish refugee, single, and fluent in English, refused to apply for a job USCC referred him to. He preferred to complete English language training and business communication courses in 9 to 12 months. Three employable adults in a Vietnamese family stated that they preferred to receive welfare while obtaining English and vocational training rather than to study and work concurrently. An adult African refugee was unwilling to take entry level jobs because of his high work expectations.

Most Refugees Apply for Public Assistance

A key issue in refugee resettlement in the United States is the extent to which refugees access public assistance programs. The Congress, federal and local government officials, and voluntary agency representatives have expressed concern over the need to reduce this welfare dependency.

In 61.6 percent of the 592 cases we reviewed, at least one family member in each case applied for cash and/or medical assistance and at least one member in more than 50 percent of the cases applied for food stamps. The case files did not always indicate whether refugees actually

[3]In this report, the employable ages are in the age group (16 through 64) from which most employment statistics are drawn in the United States. There was no age-based criterion for determining employability with the program. By using this statistic we are not implying that age, or this particular age range, should be a sole criterion for judging the program's effectiveness in placing employable refugees.

received public assistance, so our data reflects the number of case files which documented that refugees applied for public assistance.

Our statistics on refugees' use of public assistance nearly parallel data gathered by HHS/ORR and/or various states. ORR's fiscal year 1984 Report to the Congress shows that 53.9 percent of eligible refugees who had been in the United States 3 years or less were receiving some form of cash assistance. HHS/ORR officials estimate that 85 percent of refugees in California who have been in the United States for less than 3 years are on welfare. California officials also estimated that 70 percent of the refugees living in that state for more than 3 years will receive public assistance in 1985 and they expected this rate to increase.

Program Goals and Refugee Population Have Changed

There have been subtle changes in resettlement program goals and more evident changes in the refugee population. The 1975 reception and placement contracts between the State Department and voluntary agencies basically called for the agencies to provide reception and placement assistance for the refugees, with the objective of resettling them in the United States. Placing a refugee with a sponsor constituted resettlement and entitled a voluntary agency to a $500 per capita grant. The State Department considered $500 an average resettlement cost figure, recognizing that it would cost more to resettle some refugees than others.

Although the voluntary agencies took the position that their legal responsibility ended with placement, they did not consider refugees to be resettled until they were employed and self-supporting members of the community even though this might take several years. The 1979 grant agreements defined resettlement services as including but not limited to those below.

- Migration planning and services, such as promoting and securing resettlement opportunities.
- Reception services in the United States, such as reception costs, lodging, food, clothing, emergency medical and dental services, counseling, and distribution of pocket money.
- Inland transportation in the United States, including baggage.
- Interim services to facilitate adjustment within the resettlement community, such as lodging, food, clothing, medical and dental services; language, educational, and vocational training; and counseling and job placement.

In 1983, we recommended that the grant agreements be revised to stress that voluntary agencies should encourage employment and self-sufficiency among refugees at the earliest possible time.[4] The State Department agreed, and by 1984 the cooperative agreement stated that the basic program goal was to provide core services to assist refugees to self-sufficiency through employment as soon as feasible. The resettlement program goal has thus evolved from the general resettlement and sponsorship objectives of 1975 (recognizing eventual employment) to heavy emphasis on employment in recent years, to today's goal of core services leading to self-sufficiency; and the changing refugee population may contribute to this situation.

The 1975 refugee population of Southeast Asians comprised, for the most part, educated persons who had worked in white-collar occupations. More than 43 percent of the heads of households had been in medical, professional, technical, managerial, clerical, or sales occupations, and about 75 percent had completed at least a secondary education. By 1979 refugees seeking asylum in the United States included proportionately more of the poor and less educated. Complete statistical data is not available on the educational and occupational status of today's incoming refugee population, but consensus indicates that most Indochinese refugees are less affluent and educated.

Self-Sufficiency Not Defined

The State Department's cooperative agreement with the voluntary agencies states that the "ultimate goal of the services performed under this agreement is to assist refugees to become self-sufficient through employment as soon as feasible after arrival in the United States." The federal funds awarded to voluntary agencies under the agreement are to be spent on core services, with emphasis on precluding any necessity for refugee reliance on cash assistance during the first 30 days.

Self-sufficiency through employment for refugees is emphasized in the Refugee Assistance Amendments Act of 1982 and in congressional committee reports. The amendments, among other things, authorized funding for State Department and Department of Health and Human Services refugee resettlement programs and cited congressional intent that (1) employable refugees should be placed in jobs as soon as possible and (2) social service funds should focus on employment-related services, English as a second language training (in non-work hours when

[4]Greater Emphasis on Early Employment and Better Monitoring Needed in Indochinese Refugee Resettlement Program (GAO/HRD 83-15) Mar. 1, 1983.

possible), and case management. The amendments further stipulated that cash assistance be terminated for refugees refusing job training and placement and for refugees who are full-time college students and that a voluntary agency shall notify appropriate county or local welfare offices when it becomes aware that a refugee was offered employment.

The Senate Judiciary Committee report to the 1982 Amendments described self-sufficiency at the earliest possible date as the clear objective of the Refugee Act and stated that the inability to speak English does not constitute a basis for postponing employment or engaging in half-hearted attempts to find employment. To minimize welfare dependency and a philosophy of welfare dependency among newer arrivals, both House and Senate reports encouraged the State Department to monitor voluntary agencies' compliance with a new policy precluding refugees on welfare from sponsoring other refugees. The House Committee report to the Refugee Assistance Extension Act of 1983 furthered this theme and stated that voluntary agencies should view refugee welfare dependency only as a "last resort".

Although the emphasis on refugee self-sufficiency is clear in the legislation and accompanying Committee reports, the Congress did not specify whether refugees were to achieve self-sufficiency within the 90 days of State's reception and placement program or whether self-sufficiency was a longer-term goal of the HHS/ORR funded programs. State's cooperative agreement with voluntary agencies, however, implies that refugee self-sufficiency is a 90-day goal because it requires voluntary agencies to provide or refer refugees to core services for their first 90 days in the United States and cites the ultimate goal of the core services as assisting refugees to self-sufficiency through employment as soon as feasible after arrival in the United States.[5]

Program participants are not sure whether to focus their reception and placement efforts on employment within 90 days, by virtue of the Refugee Act's emphasis, or on the survival type core services leaving employment to the longer-term HHS/ORR programs. Most participants choose the latter course. Following this confusion on program goals is State's failure to fully clarify such questions as:

- What is self-sufficiency (fully employed or simply not dependent on public welfare)?
- What is meant by "as soon as feasible" with respect to self-sufficiency?

[5]See footnote 1 on p. 16.

- Why does only one core service (employment services and other assistance) relate specifically to employment?
- What are acceptable reasons for refusing employment and accessing the public welfare system (i.e., who are the employable)?

Reception and Placement Goals Interpreted and Pursued Differently

Uncertainty about the goals of the reception and placement program is evident among those involved in its management and implementation. State Department officials cite provision of core services as a primary goal of the resettlement program, adding that self-sufficiency is to be sought. The Department's monitoring trips focus on provision of core services, case file documentation, and coordination and cooperation among voluntary agencies and service providers. Monitoring teams address the agencies' efforts to instill the need for employment of refugees but do not use employment/welfare dependency rates as a measure of agency performance.

Voluntary agency officials openly question current goals of the reception and placement program, particularly providing all core services in light of the small amount of the per capita grant and the appropriateness of self-sufficiency through employment as a 90-day goal. At the local affiliate level, limited staff and other resources sometimes prevent an affiliate from providing the necessary job-oriented services, so the affiliate concentrates on what it considers the more practical core services. Some affiliates provide food, clothing, and funds periodically to keep refugees off welfare, especially during the first 90 days. Some supplement this with job counseling and placement services. Other affiliates do little more than meet the refugee at the airport, arrange transportation to the co-sponsor's/relative's home, provide a quick orientation, and then wait for the refugee to contact them if problems arise. Often, little continued effort is made to insure a job-oriented outlook among the refugees. Many of the affiliates routinely helped employable refugees to apply for welfare and some only as needed. Other affiliates commented that refugees quickly applied for public assistance on their own.

In the voluntary agencies' defense, there are many legitimate reasons why some refugees are unemployed: age, poor health, dependent children, poor economy/job market. It is also difficult for affiliates because they must contend with the desire of many new refugees to attend English as a second language classes or vocational training before looking for employment.

We reported in 1983 that the ease with which refugees can access federally funded cash and medical assistance programs encourages long term welfare dependency.[6] Refugees who meet regular eligibility requirements receive assistance under Aid to Families with Dependent Children, Supplemental Security Income, and Medicaid programs. These programs normally involve a federal/state sharing of costs. For refugee participants, HHS reimburses states for each state's share of the cost during the refugee's first 36 months in the United States. Special eligibility for cash and medical assistance has been granted for refugees who do not meet family composition and other requirements of these programs but who would be eligible based on income levels. The federal government provides full funding of costs for refugees in this category. Benefit levels for all refugees are based on each state's regular cash and medical assistance programs.

The 36-month limit on full federal funding of cash and medical assistance for all refugees went into effect in April 1981. In April 1982, HHS implemented new regulations that more closely align the benefits received by refugees with those available to non-refugees; full federal reimbursement to states continues up to 36 months for refugees who meet regular Aid to Families with Dependent Children, Supplemental Security Income, or Medicaid eligibility criteria. However, the refugees receiving cash assistance under special eligibility provisions now receive public assistance on the same basis as other state residents after their first 18 months in the United States. Thus, the new policy authorizes states, where general assistance programs are available, to seek reimbursement for costs incurred through these programs during the second 18 months that refugees are in the United States.

Toward the end of the eligibility period, some state employment offices start working with refugees to find employment because federal reimbursement stops. In addition, the policies of some state refugee coordinators are that refugees need a minimum level of English language skills before employment is feasible, thus delaying the job search. Further, in some states, welfare offices must inform refugees of all possible benefits, including cash, even if they request only medical assistance. Refugees usually apply for all possible benefits.

Conclusions

The State Department's reception and placement program achieved the basic goal of providing refugees in our April 1984 sample with such core

[6]See footnote 4 on p. 21.

services as food, clothing, and shelter but did not extend the core services so as to achieve refugee self-sufficiency. Although the Refugee Act and related Committee reports emphasize self-sufficiency as soon as feasible, it is not clear when self-sufficiency should be achieved. The Department's agreement with the voluntary agencies implies that self-sufficiency through employment is a 90-day goal because the agreement states that self-sufficiency is the ultimate goal of the core services to be provided during the refugees' first 90 days in the United States. State Department officials, voluntary agencies, and service providers in implementing this program reflect uncertainty over program goals and when they should be achieved.

We recognize that voluntary agencies face a difficult task in guiding refugees to self-sufficiency after their arrival in the United States. Refugees who are too old, too young, in poor health, or responsible for dependent children are not reasonably employable and probably should be assisted in applying for public assistance. Even employable refugees who may have deficiencies in the English language and few, if any, technical skills, would likely find only minimum wage and/or labor intensive work available. Free day classes and public assistance encourage these refugees to forego employment. Such factors suggest that refugee self-sufficiency within 90 days is difficult to achieve for all refugees, given current program implementation and the refugee population.

The tendency of refugees to seek available welfare is difficult for voluntary agencies to overcome. State and local governments have different entitlement programs; some are more lenient in providing assistance to refugees than others. In some states, refugees can be unemployed, attend classes, and receive public assistance checks at total cost to the federal government for up to 3 years. Public employment agencies and voluntary agencies are not equally emphasizing the need for rapid employment or directing their resources toward employment for employable refugees.

State Department officials have not provided guidance to help voluntary agencies overcome these difficulties in encouraging refugee self-sufficiency. State has not defined such questions as who are the employable and unemployable refugees, what is self-sufficiency—fully employed or simply not dependent on public assistance—and when is public assistance an appropriate interim measure.

Recommendations

We recommend that the Secretary of State require the Director, Bureau for Refugee Programs, to further clarify the reception and placement program goals in terms of self-sufficiency expectations. With employment as a primary route to refugee self-sufficiency, such expectations should include an identification of which newly arrived refugees are employable and when employment can be expected. In clarifying the goals, the Director needs to establish criteria which program managers and participants can use to make these determinations. The criteria should be such that if the refugee is determined not employable upon arriving in the United States, another determination could be made as to when and what would be needed to help the refugee become employable. In this connection, the Director, Bureau for Refugee Programs, should keep the appropriate committees informed on, and seek their support of, the Bureau's progress in the clarification and establishment of these program goals.

We also recommend that the Secretary of State require the Director, Bureau for Refugee Programs, to establish and distribute to program participants guidelines for achieving program goals and more effectively placing employable refugees in jobs and reducing their dependence on public assistance.

Agency Comments and Our Evaluation

State Department and the American Council for Voluntary International Action—an organization called InterAction representing the 12 voluntary agencies which participated in the reception and placement program in 1984—agreed with our recommendation concerning the clarification of program goals. (See apps. II and III.) State pointed out that it has consulted and worked with the responsible House and Senate subcommittees over the past 2 years and will continue to do so to clarify the goals and objectives of the program. The Department commented that the reception and placement program has never required that refugees should become employed within a 90-day period. It said it encourages any effort which leads to that outcome and expects the voluntary agencies to provide a mix of core services which will move the refugees toward self-sufficiency as rapidly as possible. State said that the practice of most voluntary agencies of focusing their efforts on the survival core services is consistent with its views of the program purpose and with recent congressional guidance expressed in public hearings and reports.

Even though agreeing that greater clarity is needed in terms used in the cooperative agreement, State questioned our definition of self-sufficiency and employability as being not entirely applicable in the refugee context. InterAction also questioned our defined use of employability and emphasized that employability is not defined by the Congress, State Department, or voluntary agencies but by state and local welfare rules and practices. It further commented that such realities require that any proposed remedies to increasing early employment must deal with the local rules and those who carry them out or by-pass them. InterAction also cited some current demonstration project proposals which include seeking to enlist the cooperation of local welfare officials. It also expressed hope that, in clarification of goals, consideration would be given not only to the communities referred to in this report but also to those areas where self-sufficiency can be and is being achieved within 90 days.

We recognize that State Department has been consulting with the Congress on the goals and objectives of the reception and placement program. For that reason, we have revised the recommendation concerning the clarification of reception and placement program goals. Instead of recommending that the Department request the Congress to clarify the goals, we are recommending that the Department clarify the program goals and keep the appropriate congressional committees informed of progress made in that effort. As the Department noted, Committee reports which accompanied the proposed Refugee Assistance Extension Act of 1985 addressed program goal clarification and indicated that progress was made. However, clarification is still needed in describing the goals and expectations of the per capita grant program as well as such important terms as "self-sufficiency", "employable," and "as soon as feasible," used in program operations and management. This is evidenced by the fact that even though State's cooperative agreement with voluntary agencies in 1984 cited refugee employment as the ultimate goal of the core services to be provided to refugees during their first 90 days in the United States, the State Department says that actual employment is neither a requirement of the agreement nor an expected outcome within the initial 90-day period. In this report, we do not intend to establish definitions of terms for future program use. But, in the absence of specific definitions and the need for a quantitative measure, we adopted the broad 16-to-64 age group from which most employment statistics are drawn as a basis for examining the status of refugee self-sufficiency and program effectiveness. Our report only takes a position that definitive goals, objectives, and terms are needed to effectively

plan, program, carry out, monitor, and evaluate a refugee reception and placement program.

We appreciate InterAction's concerns expressed with regard to the ultimate impact of state and local welfare agencies' rules and practices on the success of voluntary agencies' efforts to help refugees achieve early employment. We agree that cooperation among officials of federal, state, and local governments and voluntary agencies is important to accomplish effective, efficient, and economic resettlement of refugees. In that regard, the rules and practices of state and local agencies and their impact on refugee resettlement are important factors to be considered in State Department's efforts to clarify reception and placement program goals with the Congress.

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Reasonable and Measurable Performance Standards Needed to Achieve Program Objectives

The State Department manages the refugee reception and placement program through cooperative agreements with 12 private voluntary agencies and 2 state-supported organizations. The cooperative agreements, however, describe program requirements in broad and general terms and do not describe precisely how the agencies are to administer the program or the standards for minimum services the agencies are to provide. Therefore, although State maintains some oversight and monitoring of voluntary agencies, it has no established basis for measuring their performance. Furthermore, the lack of minimum performance standards precludes effective evaluation of the agencies' program implementation proposals, which are submitted periodically as the basis for awarding new cooperative agreements. Also, State has no way of determining how effectively the agencies administer the program and the efficacy of its own management and oversight.

Performance Standards Needed to Achieve Program Objectives

Until the State Department designs and uses in program evaluations a set of criteria describing, in measurable terms, precisely what the refugee reception and placement program is expected to accomplish, the program's effectiveness and the efficiency with which it is administered will remain uncertain.

In a prior report[1] we concluded that the State Department's monitoring and oversight of voluntary agencies' activities could be improved by establishing criteria to determine what constitutes an acceptable proposal as a basis for accepting or rejecting continued voluntary agency participation in the program. State now advises voluntary agencies of the factors on which their proposals will be evaluated and states that proposals must receive a minimum score of 70 out of a possible 100 points in order to be considered for funding. The factors, however, do not contain minimum standards for acceptable performance nor provide an objective and measurable basis for determining the capability of an applicant to resettle refugees.

For example, State awards up to 10 points for how well the applicant describes:

"The extent to which the applicant demonstrates successful experience in providing reception and placement and related resettlement services, and the extent to which the proposal articulates the objective of early refugee self-sufficiency."

[1]Oversight of State Department's Refugee Reception and Placement Program, (GAO/NSIAD-83-53) Sept. 30, 1983.

The cooperative agreement states that assisting refugees to achieve self-sufficiency through employment as soon as feasible is a goal of the reception and placement program. However, State does not define "early refugee self-sufficiency" in terms of program expectations, such as the percent of employable refugees expected to achieve self-sufficiency within some definite period of time.

Another factor listed as criteria in the request for proposal but not defined in terms of program expectations is the extent of private sector involvement in an agency's resettlement program, including cash, in-kind, or service contributions. Even though the reception and placement grant is intended to provide only partial financial support for initial resettlement services, the ability of voluntary agencies to generate additional private sector support is not considered a performance standard. In developing meaningful criteria for performance standards, State should develop standards which can be used to evaluate an agency's ability to generate private sector contributions for reception and placement activities. State could then establish a minimum level for program participation.

Core Services: A Basis for Standards Development

The factors the State Department outlines in the requests to voluntary agencies for proposals provide a framework for developing more specific performance standards, but they lack sufficient objectivity to be considered standards by themselves. Factors stated in terms of expectations of the core services (as outlined in the cooperative agreement), would provide additional assistance in establishing performance standards.

The core services consist of three general categories, each with evaluative characteristics.

1. Pre-arrival services, including establishing a 90-day case file record of services provided and sponsorship guarantee and development.

2. Reception and maintenance services, including meeting refugees at the airport, transporting them to initial housing, and providing adequate food, clothing and shelter.

3. Counseling and referral services, including orientation and health counseling and employment referral.

Establishing standards even on segments of the overall material support provided to satisfy the basic needs of food, clothing, and shelter often may require subjective judgement, because quantitatively the needs vary from person to person and community to community. Consequently, State may need to require, as appropriate, that local government ordinances be factors considered in the performance standard. Onsite inspections and monitoring can confirm the adequacy of each service provided.

On the other hand, State can more readily establish measurable standards for pre-arrival and counseling and referral services. These services are generally considered case management, although the cooperative agreement does not explicitly require voluntary agencies to perform case management. We consider some of the features in the case management system as useful in enabling effective program monitoring. However, we are not suggesting that case management be a reception and placement program requirement.

Standards Can Be Established for Case Management

The purpose of a case management system is to ensure that program requirements are met and to facilitate achievement of program goals, and a tool available for State's use in managing and monitoring the per capita grant program. For refugee resettlement, case management involves maintaining a file on each refugee or refugee family and documenting the services provided, such as orientation, counseling, and referral as well as the maintenance assistance provided. To ensure that needed services are provided, a case file generally should contain (1) an assessment of the refugee's needs, (2) a resettlement services plan, and (3) a periodic assessment of the refugee's progress.

Measurable aspects of case management which lend themselves to performance standards include (1) caseworker to caseload ratio, (2) the type and extent of contact with the refugees, and (3) completeness and timeliness of services provided and corresponding case file documentation.

To promote early refugee self-sufficiency, case management could include a comprehensive employment services program for placing refugees in jobs. Elements of such a program could include

- an assessment of each refugee's employability,
job counseling,
- a specific employment plan,

- direct job placement assistance, and
- follow-up by agency staff during the job search and after employment.

Performance can be measured by the frequency, scope, and/or extent of these actions. Another measure would be the employment rate of employable refugees resettled by each voluntary agency affiliate.

HHS Matching Grant Program: An Example of Measurable Goals and Performance Standards

The matching grant program administered by the HHS Office of Refugee Resettlement provides a useful comparison for establishing goals and performance standards. Voluntary agencies receive federal matching grant funds for refugee resettlement services in conjunction with services funded through State's reception and placement program. In fiscal year 1984, the matching grant program amounted to $4 million. The purpose of the matching grant program is to facilitate economic self-sufficiency and social adjustment through employment services, maintenance assistance, and other services provided within the framework of case management. The services funded are intended to preclude refugee dependence on public assistance for the first 4 months after arrival in the United States. The use of matching grant funds is restricted to locations where the voluntary agency has the capability to provide services directly through its own or affiliate staff. In addition, grant funds cannot be used for refugees' maintenance assistance for the first 30 days after arrival in the United States. Grantees are required to match the federal funds received through either in-kind donations or cash. A minimum cash match of 20 percent is required. The federal contribution is limited to $1,000 per refugee resettled.

The statement of program goals and objectives has facilitated the development of detailed criteria for proposal evaluation, program oversight, and performance evaluation. For example, as in the reception and placement program, the matching grant request for proposal defines the factors to be used in evaluating the proposal in terms of its ability to achieve program goals. The matching grant request states that the most important area on which a proposal will be evaluated is the capacity of the organization to obtain employment for refugees and to preclude them from accessing public cash assistance. Unlike the reception and placement program, however, each voluntary agency wanting to participate in the matching grant program establishes a quantitative employment goal in its proposal, citing employment rates anticipated in the coming program year and describing how and when its goal will be achieved. HHS uses the employment goal and related mechanisms, such

as progress reports, as criteria for evaluating proposals and, eventually, performance.

Explicit matching grant program goals have also facilitated the development of detailed criteria in the other major areas outlined in the request for proposal, principally project monitoring and evaluation and budget and fiscal accountability. For example, the applicant is required to establish clearly defined and reasonable performance standards and is expected to have adequate staff and resources for project monitoring. In addition, the program requirements to qualify for the matching grants have facilitated the development of budget and fiscal criteria, which are not required either by the reception and placement program request for proposal or the cooperative agreement.

State Taking Steps to Acquire Appropriate Data for Evaluations

State's fiscal year 1985 request for program proposals from voluntary agencies represents an improvement over that for the preceding year. Reviewing fiscal year 1984 proposals, we found that the information requested and submitted provided only general descriptions of voluntary agency operations, not the financial and program data necessary to evaluate the capability of either the local resettlement offices or the agency as a whole. However, State's fiscal year 1985 request required each agency to submit a statistical summary of its program, including a breakout of the total number of cases resettled in each state. Also, the request elaborated on several of the categories for which information is required, including additional information requested on private sector contributions.

In considering the composition of the proposals for future years, State may wish to require additional data to facilitate not only proposal evaluation but also assessment of each voluntary agency's ability to meet overall program goals and specific cooperative agreement requirements. Such information would include performance and statistical data on program operations which correspond to program goals and budget data based on projected actual costs in order to compare actual results with planned performance. To promote usefulness, such data should be in the same format as that required for the program's statistical and financial reports. Requiring potential applicants to provide sufficient descriptions of their monitoring and financial management systems would allow for assessments of the agencies, ability to monitor and report on program operations.

Performance Standards Can Facilitate Monitoring

The State Department's oversight of the reception and placement program includes monitoring voluntary agency performance and compliance with the cooperative agreement. However, monitoring activities have focused on local affiliate offices rather than agencywide reviews. State's monitoring reviews

- highlight individual agency, or affiliate, strengths and weaknesses at each site;
- build an understanding of overall agency capabilities;
- determine changes needed in the cooperative agreement;
- identify areas relating to reception and placement which need immediate clarification;
- indicate how reception and placement melds with resettlement;
- discover the extent of donated private sector goods and services; and
- serve as an information sharing mechanism between State and local voluntary agencies and other organizations involved in resettlement.

State reviewed 43 of more than 400 local affiliate offices between fiscal years 1982 and 1984 in 11 states. At each office, usually three State Department staff members interview up to five local affiliates' officials concerning resettlement policies and procedures, review refugee case file documentation of services provided, and interview selected refugees. The staff also gathers data on individual affiliate office activities and, when deemed appropriate, recommends changes to resettlement procedures.

In gathering data and making recommendations, the staff normally does not compare (1) resettlement activities of two or more affiliates in one metropolitan area or (2) activities of all affiliates of a single voluntary agency located in all areas visited. Furthermore, their recommended changes are based on a staff member's observations as to acceptable resettlement activities for a particular affiliate, not on pre-established performance standards. For example, a frequent observation and recommendation was that affiliate personnel should maintain or document contact with refugees during the 90-day reception and placement period but did not specify how often, or what type of contacts (in person or by telephone) are acceptable.

If State established minimum performance standards corresponding to the requirements of the cooperative agreement, staff could make better judgments as to an affiliate's ability to provide core services and lead refugees to self-sufficiency.

Performance standards could also facilitate State's monitoring reviews of individual voluntary agencies. Individual, agencywide monitoring reviews offer several means for State to enhance refugee resettlement. First, agencywide reviews are essential to evaluating compliance with the cooperative agreement, including provision of core services and refugee self-sufficiency, and for deciding on an agency's continued participation in the program. Based on these reviews, State would have sufficient documentation to approve or deny continued funding to an agency. Second, agencywide reviews provide a basis for allocating refugees to program participants. Allocating cases based on demonstrated performance would then ensure that the agencies which have effective resettlement programs would used more often.

Agencywide reviews would also enable State to identify whether the factors which inhibit refugee resettlement are limited to a particular voluntary agency, or inherent in the program itself. State could then more readily identify causes of the problem and implement appropriate corrective action.

Voluntary Agencies: Standards in Monitoring Local Affiliates

The cooperative agreement requires voluntary agencies to maintain a monitoring system and to review on-site activities of local affiliates at least once each year. This requirement should supplement State's ability to monitor voluntary agency performance. However, according to State Department officials, the Department has not provided written guidance as to what constitutes an acceptable monitoring system or how to conduct a monitoring review. For example, the cooperative agreement does not require voluntary agencies to develop standards by which to evaluate performance, prepare written reports, or follow up to ensure that corrective action is taken. Rather, State requires voluntary agencies to adhere to the system each describes in its annual program proposal.

We found that the 12 voluntary agencies had widely varying systems or procedures for monitoring affiliate activities. For example, one agency developed a review and assessment guide for on-site reviews covering a wide range of activities from local organization and administration to delivering services to refugees. A second agency does not conduct formal on-site review of affiliates but delegates it to local representatives and monitors affiliates through national meetings, telephone conversations, and reports from the local representatives.

The absence of written guidance, including performance standards, and the varied monitoring systems of voluntary agencies minimizes the

effectiveness of State's monitoring activities. State should specifically define minimum requirements for voluntary agency monitoring systems, such as the scope and extent of refugee case file review and refugee interviews, reporting requirements, and follow-up procedures. Data thus gathered could then be contrasted with performance standards and corrective action implemented, if needed.

Conclusion

The State Department has not developed measurable performance standards for determining the degree to which program goals are being achieved by participants involved in refugee resettlement. The absence of measurable standards has prevented the State Department from assessing the effectiveness of program administration and its own management and oversight of the programs. Performance standards, based on program goals and associated core services as defined in the cooperative agreement, provide a basis for guiding State's own management of the program and evaluating voluntary agency program proposals, and assessing their performance in meeting program goals.

Recommendation

We recommend that the Secretary of State require the Director, Bureau for Refugee Programs, to establish reasonable and measurable performance standards and to apply them in maintaining refugee program oversight and in managing refugee reception and placement.

Agency Comments and Our Evaluation

The State Department accepts our recommendation and concurs with the view that case management is an important component to effective service delivery programs. It commented that the Bureau maintains case management instruments essential to the provision of refugee reception and placement services but has not used the term case management, in the cooperative agreements because of the potential confusion with HHS-funded case management systems in some states. The Department questioned our suggestion that reception and placement agencies should also establish case management systems for employment services.

We have clarified the report so as not to suggest that case management be a reception and placement program requirement. But we do point out that measurable performance standards, similar to those established for HHS matching grant programs, can be developed for management of refugee resettlement activities. We recognize that, as InterAction pointed out, the development and maintenance of systems for measuring reception and placement program performance may require more staff, and

consequently more funding. However, we still believe that adequate management of the reception and placement program requires that the State Department have the ability to assess the effectiveness of program administration and its own oversight of the program.

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Oversight of Reception and Placement Program Can Be Improved With Additional Financial Requirements

The State Department, in carrying out its oversight and accountability responsibilities for the refugee program, places few restrictions on voluntary agencies' use of the per capita grant funds and has little basis for evaluating the reasonableness of expenditures. The agencies' financial reports do not disclose the actual costs of resettling refugees, so State can neither determine if the federal share of resettlement cost is sufficient nor substantiate the need for changes to the per capita amounts. These limitations also prevented us from fully assessing the agencies' accountability for reception and placement funds. However, to increase the Department and congressional confidence that federal contributions cover a fair share of the refugee reception and placement costs and that per capita grant funds are properly used, several actions are available to State for improving its accountability and fund control. Most of these actions are requirements associated with a cost-reimbursable style of financing rather than a per capita grant. Before placing these requirements on voluntary agencies, State, in concert with the Congress, should determine the extent of accountability and control needed. Potential actions to improve program accountability and fund control include

- improving the usefulness of the combined program/financial report required from voluntary agencies;
- requiring voluntary agencies to report actual costs of refugee resettlement;
- adhering to Office of Management and Budget (OMB) circulars on reasonableness and allowability of costs;
- imposing restrictions on use of reception and placement funds; and
- assuring voluntary agency adherence to the standards for financial management systems, including audit requirements, as outlined in OMB Circular A-110, "Uniform Administrative Requirements."

Although these actions can be taken separately, they would be most effective when used together as elements of an overall system.

Voluntary agencies may incur additional costs if required to implement some or all of these actions. We did not determine the cost benefit to be derived from these additional actions. However, if the Congress and State deem them appropriate, State may need to adjust the amount of the per capita grant for these additional costs.

Congressional Concern Over Voluntary Agency Use of Federal Funds

In recent years, the Congress has expressed concern regarding the use of reception and placement funds. Specifically, the Congress included in legislation (Public Law 97-363) a requirement that we audit reception and placement funds awarded to the voluntary agencies. In reporting on this legislation, the Senate Judiciary Committee (Report 97-638, Sept. 29, 1982) stated that:

"The Committee firmly believes that it is essential for Congress to know whether federal money is being spent wisely and efficiently under the reception and placement agreement. . ."

In addition, the House Judiciary Committee (Report 98-404, Oct. 5, 1983) proposed legislation which would place increased reporting requirements on the voluntary agencies. The House Committee believed that these requirements would facilitate the State Department's ability to exercise effective oversight by increasing voluntary agency responsibility and accountability. The Committee report stated that "The Committee is convinced, however, that these grants have not and do not provide sufficient assurance of voluntary agency accountability. . ." and reflected concern regarding that portion of the grant award used for administrative expenses.

State's Position on Accountability for and Control of Per Capita Grants

The objective of the cooperative agreement between the State Department and the voluntary agencies is to ensure a domestic admissions and resettlement system with both the capacity and flexibility to adapt to unpredictable refugee flows or other international developments. That objective supports both State's and the agencies' views that federal support through per capita grants to the agencies is crucial to maintaining effective resettlement infrastructures.

According to State, federal payments were never intended to fully reimburse voluntary agencies for their costs, but rather to forge a partnership with private resources to minimize shifting the costs of resettlement to the federal budget. According to State's General Counsel, the grants to voluntary agencies represent: "a purchase by the United States Government of guaranteed access to a wide panoply of ongoing services performed by these voluntary agencies. . . more akin to budget support than a payment for identifiable expenses." State's General Counsel also takes the position that the federal government has long provided reception and placement assistance on a per capita rather than a cost reimbursable basis and believes that:

"per capita grants facilitate voluntary agency planning, minimize administrative costs compared to a cost reimbursement program, promote reimbursement program, promote efficient implementation by voluntary agencies, and limit the growth in federal payments for a program where the Department believes the value of the service performed by the voluntary agency for the refugee exceeds the value of the grant from the federal government. . ."

Thus, State has incorporated only limited accountability and fund control into the program.

Recognizing congressional concern over the use of reception and placement funds, State could develop and implement procedures to increase accountability for these funds. These could encompass a variety of actions to be implemented separately, such as improving the content and format of the agencies' periodic financial reports. In some instances, two or more actions may be needed concurrently to achieve effectiveness. For example, financial reports can be more useful when total costs are reported and guidance governing reasonableness and allowability of costs, such as found in OMB Circular A-122, is followed. Each such action would provide progressively more accountability and control. If these actions are implemented, State could make better determinations as to the appropriateness of the use of the funds, the share of refugee resettlement cost paid by the federal government, and the need for changes to the per capita grant amounts.

Program and Financial Reports Can Be Made More Useful

As a first step, the State Department could revise the format of current program and financial reports and improve written instructions regarding their submission to ensure that voluntary agencies provide more consistent and useful data.

The combined program and financial reports now required under the cooperative agreement between State and the voluntary agencies should contain more useful information which can be used in planning, exercising financial control over resources, and promoting greater efficiency and economy in day-to-day operations. Ideally, such data must be submitted promptly, clearly reported, and properly understood.

Our review of the official grant files shows no indication that the reports were analyzed or reviewed in detail to evaluate expenditures or progress toward meeting program goals. For example, we found that the State Department makes no attempt to evaluate the reasonableness of funds used for administrative expenses, a cost that varies among the

voluntary agencies. The State Department has not issued written instructions to clearly establish reporting requirements, so the information submitted depends on each agency's determination of what data is required and what is readily available. For example, some agencies reported national and affiliate office expenditures separately, others combined them. Even when the expenditures were reported separately, some agencies did not identify them by affiliates or by reception and placement activities. Thus, comparisons cannot be made among agencies.

In our March 1983 report,[1] we noted that because of inadequate instructions and unclear reporting criteria, the combined program and financial reports submitted by voluntary agencies were of little use. At that time, the State Department commented that it was aware of the ambiguity of the reports and was reviewing the format with the objective of developing "clear and concise financial requirements;" however, it has not yet issued either a revised report format or additional reporting instructions. The information and level of detail required in these reports has not changed since fiscal year 1981, when State first required a combined semiannual program and financial report. Financial and program reports provide a basis for judging performance, so they must be sufficiently detailed to disclose significant facts about voluntary agency operations and activities.

Reporting Total Resettlement Costs Would Enhance Analysis

Requiring voluntary agencies' reports to display the total costs of resettling refugees, not just how per capita grants are spent, is another step which would give the State Department information needed to determine the extent to which federal funds—initially intended to supplement private sector resettlement efforts—are serving that purpose or are replacing private sector efforts. Total cost reporting, including costs reimbursed by other federal funds and private contributions, could also provide a basis for increasing or decreasing per capita grant awards to reflect fluctuating program costs.

Voluntary agencies are required to report how reception and placement funds are used but not to break out the total costs of refugee services or administrative expenses (overhead). Without this cost data, the State Department cannot properly evaluate the reasonableness of charges to the reception and placement program.

[1]See footnote 4 on p. 21.

For many years, voluntary agencies resettled refugees without federal funds. The Lutheran Council in the U.S.A commented that the per capita grant technique was used in the early 1970's during the Uganda Asian Expellee Program. However, the per capita grants were first awarded as part of the current continuing federal contribution program in 1975 to supplement voluntary agencies' efforts to resettle refugees. Consequently, the State Department does not require the agencies to account for the total resettlement costs incurred by them or their affiliates. Without this information, only rough estimates can be made of the amount of private sector support. Based on financial data provided by the voluntary agencies, federal funds appear to be the major source of funds for their refugee resettlement programs. Knowing the extent to which individual agencies generate contributions from private resources (other than a refugee's relatives) could be useful in determining federal funding of initial reception and placement program requirements.

In the same vein, total cost reporting would provide a better basis for the State Department to determine the per capita grant award. In 1985, without the benefit of reliable data on the agencies' total resettlement costs, State increased the per capita rate for European refugees from $390 to $560, the rate provided for other refugees, on the basis that there is no cost difference in resettling European and non-European refugees.

Reporting Total Costs Facilitates Adherence to OMB Circulars

If additional accountability is needed, voluntary agencies could be required to adhere to OMB Circular A-122 (Cost Principles for Non-Profit Organizations) governing reasonableness and allowability of costs. Currently, according to the State Department, OMB Circular No. A-122 does not apply because the grants to the agencies under the cooperative agreements are not provided as reimbursement for costs incurred but are fixed regardless of the actual costs of the agency. Consequently, agencies are not required to adhere to the standards in this circular when spending reception and placement funds. As previously stated, State has little basis for evaluating the reasonableness of expenditures of reception and placement funds.

Voluntary agency adherence to cost principles such as those found in OMB Circular A-122, (which provide standard federal guidance on allowable direct and indirect costs, contributions and donations, and entertainment and travel costs), would enable State to ascertain whether voluntary agencies are spending reception and placement funds in a reasonable and allowable manner.

In July 1984, State's Office of Inspector General advised Bureau for Refugee Programs officials that to its knowledge, "OMB Circular A-122 is the only applicable guidance for determining what costs can be charged against [these] governments grants." Under the present per capita grant requirements, accountability is restricted to individuals (head counts or caseload) multiplied by per capita grant rates. Actual costs are irrelevant.

Restrictions on Use of Funds Could Be Increased

Another step that State could take to improve accountability and control of reception and placement funds is to restrict voluntary agencies' use of these funds. Currently, voluntary agencies are restricted only in that

- funds and accrued interest cannot be used to cover expenses unrelated to refugee assistance activities;
- funds and accrued interest must be spent within 12 months of the end of the fiscal year in which the funds are awarded;[2]
- travel must be on U.S. carriers when available; and
- funds cannot be used for entertainment or representational activities.

The cooperative agreement does not prohibit performance of other refugee resettlement activities considered appropriate by the voluntary agency. Also, after providing required services, the agencies may use any unspent per capita grant funds for optional services for refugees admitted to and arriving in the United States. The wording of the agreement, in effect, allows voluntary agencies to spend reception and placement funds on any refugee resettlement activity they consider appropriate. Such an activity is not necessarily one from which the refugee would, in fact, benefit directly. For example, voluntary agencies spend reception and placement funds on overhead expenses, such as rent and utilities. In addition, State does not prohibit the agencies from spending reception and placement funds after a refugee's first 90 days in the United States. Consequently, State has little basis for evaluating the agencies' use of these funds.

Allowing such unrestricted expenditures also blurs the distinction between the reception and placement program and other resettlement-related programs, such as HHS/ORR targeted assistance programs. Further, the cooperative agreement does not prohibit voluntary agencies from spending reception and placement funds on services for which they receive other federal funds. The HHS matching grant program is an

[2]Unless otherwise approved in writing by the State Department.

example. Under this program, voluntary agencies receive matching grant funds to provide resettlement services to refugees after they have also received the State Department's reception and placement funds for the same refugees. State does not require the agencies to distinguish how reception and placement funds are spent versus matching grant funds. HHS, on the other hand, attempts to make this distinction by not allowing matching grant funds to be spent on refugee support services until 30 days of support has been provided through reception and placement funds. Without a clear distinction, State cannot readily evaluate reception and placement services in terms of total federal resources applied.

Adherence to OMB Audit Requirements Can Ensure Funds Are Properly Used

Voluntary agencies participating in the reception and placement program are not bound by federal audit requirements. When OMB finalizes revisions to OMB Circular A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations; Uniform Administrative Requirements," which would then govern voluntary agencies, State could ensure that agencies adhere more fully to the audit requirements found in Attachment F to the Circular. Attachment F established standards for financial management systems, requiring, in part, examinations in the form of external or internal audits to ascertain the effectiveness of the financial management systems and internal procedures in meeting the terms and conditions of the agreement.

All 12 of the voluntary agency national offices have independent audits and State has some of the financial reports on file; the cooperative agreement does not require submission of the audited financial statements. However, based on our analysis, we believe these reports are of little use in the oversight of reception and placement activities because of limitations on their scope, the level of detail of the information presented, and their timeliness. For example, at least eight of the audit reports we reviewed were limited to the operations of the national offices, even though local affiliates spend reception and placement funds. When local resettlement offices are audited, either separately or as part of another local organization, audits of national offices usually do not rely on these audits or express an opinion on the financial operations of the agency's refugee resettlement program as a whole. None of the agencies had independent audits sufficient to render opinions on their use of reception and placement funds. Three agencies had independent audits which included a sample of reception and placement transactions for compliance with the cooperative agreement, but the samples

were not sufficient to allow a separate opinion on reception and placement funds. Only one agency had an audit which included a test of reception and placement transactions for conformity with OMB Circulars A-110 and A-122.

OMB is taking steps to insure adequate accountability for federal funds awarded to non-profit organizations, such as the voluntary agencies participating in State's reception and placement program. OMB officials are currently planning to revise Circular A-110 to correspond with requirements of the Single Audit Act of 1984 (Public Law 98-502). Under a proposed revision, voluntary agencies would be required to adhere to audit and reporting requirements similar to those now required by the Single Audit Act of state and local government recipients of federal funds. Independent audits would thus be made in accordance with generally accepted government auditing standards and, as a minimum, would probably determine whether the organization has (1) internal accounting and other control systems to reasonably ensure that it is managing federal financial assistance programs in compliance with applicable laws and regulations and (2) complied with laws and regulations that may materially effect its financial statements and each major federal assistance program.

Without useful financial reports and audits performed in accordance with generally accepted government auditing standards, the State Department has no independent assurance that the information in the voluntary agency program/financial report is reliable.

Conclusion

The State Department exercises minimal control and accountability over the voluntary agencies' use of reception and placement funds. The nature of the funding mechanism, a per capita grant, and State's management of the program with regards to the need for accountability has led to this situation. As a result, State cannot effectively describe how reception and placement funds are used or if they are properly used. Further, it has placed few restrictions on agencies' use of funds and has only a limited basis for assessing the appropriateness or reasonableness of expenditures. Current agency financial reports are of little use since they do not disclose total resettlement costs; State cannot determine if the federal share of resettlement is sufficient or substantiate the need for changes to per capita grant amounts. Many actions discussed in this chapter are associated with cost-reimbursement grant programs. Historically, State has not required this level of accountability.

Recommendations

In recent years the Congress has shown concern over the use of reception and placement funds. To improve the level of accountability and control needed to adequately oversee the refugee program we recommend that the Secretary of State require the Director, Bureau of Refugee Programs, to consider the need to:

- Require voluntary agencies to submit program and financial reports containing pertinent information needed for effective management oversight.
- Require voluntary agencies to report total costs of refugee resettlement.
- Adhere to OMB circulars governing reasonableness and allowability of costs.
- Impose reasonable restrictions on the use of reception and placement funds.
- Ensure that voluntary agencies adhere to OMB audit requirements.

Agency Comments and Our Evaluation

The State Department and InterAction commented that they recognize the need for better accounting and fiscal reporting in connection with the voluntary agencies' provision of refugee reception and placement services. They cited the recent development of a format for required voluntary agency reports which will provide certain breakdowns of cash expenditures. The Department said the new format will be part of the financial reporting requirements of the next cooperative agreements. Such detailed reporting will provide information on voluntary agencies' total expenditures and enable the Bureau to better judge the appropriateness of per capita grant funds and the extent of private support afforded the reception and placement of refugees. State also commented that it will determine whether (1) the cost principles stated in OMB Circular A-122 are in keeping with the per capita grant arrangements and (2) those standards can be adopted by voluntary agencies without undue hardships and excessive changes in their systems. If these changes are feasible, State intends to incorporate Circular A-122 in the next cooperative agreements with the agencies.

The Department does not disagree with our recommendation that it consider the need to impose reasonable restrictions on the use of reception and placement funds. However, it is concerned that the recommendation may imply that something is wrong with the voluntary agencies' use of the funds for optional services or to extend services beyond the 90-day period.

We commend State for the actions it is taking to improve the accounting and reporting of reception and placement program activities and its willingness to seriously consider adopting established OMB Circular A-122 cost standards in the operations and management of the program. We believe proper accounting and reporting are important and, along with the application of established cost standards, are essential tools for effectively planning, budgeting, and managing the initial reception and placement program. With adequate instructions to the agencies on the expected contents of reports on total refugee reception and placement costs and how the reports are to be used, the State Department's actions will be proper steps toward improving program management when they are fully implemented. We encourage State to include in its new financial reporting format as much source and application data on all public and private funds as needed to gauge the costs of resettling refugees and to manage the reception and grant program.

Our work was not directed at identifying, nor did we identify, voluntary agency wrongdoings during our review. Neither did we intend to imply that the agencies were misusing the per capita grant funds. Further, we did not intend to suggest that any regulation be imposed on voluntary agencies which would require them to abandon refugees after 90-days or prevent agencies from serving unforeseen needs of refugees. However, we believe that funds used for optional services and for other resettlement-related programs are examples where State has not been fully aware of how portions of per capita grant funds were used. Thus, reasonable restrictions on the agencies' use of the funds is another tool available to the Department for managing and evaluating federally funded refugee reception and placement services.

Analyses of Selected April 1984 Refugee Cases

Demographics

Our case sample included all refugee cases (a case is a single refugee or a family of refugees) arriving in the United States in April 1984 in five metropolitan areas. The total number of refugees arriving was 4,575, comprising of 1,878 case files. We examined 31.5 percent of these case files, as shown below.

Table I.1

Area	Affiliates visited	Case files reviewed	Refugees interviewed
San Francisco	11	112	17
Los Angeles	10	239	24
Washington/ Baltimore/No. Va.	9	82	10
Chicago	8	97	8
Houston	5	62	8
Total	**43**	**592**	**67**

Within each area, we examined the following percentages of case files.

Table I.2

Area	Total April 1984 cases	Cases examined	
		Number	Percent of total
California	544	351	64.5
District of Columbia (28)			
Maryland (65)			
Virginia (32)	125	82	65.6
Illinois	97	97	100.0
Texas	176	62	35.2

Our April 1984 refugee population was composed of 1,454 refugees, 930 of these were 16 to 64 years of age. Most refugees were of Indochinese origins, as seen below.

Table I.3

Refugees' regional origins	Percent of total refugees
Indochinese	53.7
European	21.5
African	13.0
Near Eastern	11.1
Latin America	.2
Missing data	.5

Most refugees in our sample entered the United States under the family reunification placement code and most resettled in California, consistent with patterns of recent years' refugee entrants.

Table I.4

Placement codes	Percent of total refugees
Family reunification	50.7
Other relatives and friends	27.9
Free cases (no ties in the United States)	19.6
Unaccompanied minors	.5
Missing data	1.4
Initial resettlement location	
Los Angeles	40.4
San Francisco	18.9
Chicago	16.4
Northern Virginia/ Baltimore/Washington, D.C.	13.9
Houston	10.5

As table I.5 shows, the United States Catholic Conference (USCC) sponsored the largest percentage of April 1984 arrival cases; relatives or friends were co-sponsors for most cases.

Table I.5

Percent

Sponsoring agency	Total refugee cases	Relative/ friend	Voluntary agency[b]	Church/ congregation	Community organization	Individual or family	Other
United States Catholic Conference	33.9	28.9	4.1	0.5	•	0.2	0.2
International Rescue Committee	13.3	9.0	4.4	•	•	•	•
World Relief Refugee Service	11.1	7.1	1.2	1.0	0.5	1.0	.3
American Council for Nationalities Services	9.3	7.1	2.2	•	•	•	•
Church World Service	7.8	5.9	•	1.2	•	0.3	.3
Lutheran Immigration and Refugee Service	7.3	5.1	0.3	1.4	•	0.3	.2
Hebrew Immigrant Aid Society	6.8	4.6	2.2	•	•	•	•
Tolstoy	3.2	1.8	1.4	•	•	•	•
Presiding Bishop's Fund	2.7	2.7	•	•	•	•	•
American Fund for Czechoslovak Refugees Inc.	2.0	1.7	0.2	•	•	0.2	•
Buddhist Council	1.5	•	1.5	•	•	•	•
Polish American Immigration and Relief Committee	0.8	0.7	0.2	•	•	•	•
Total[a]	**99.9**	**74.6**	**17.7**	**4.1**	**0.5**	**2.0**	**1.0**

[a]Columns and rows total do not always add due to rounding.

[b]Some agencies directly placed refugees in the five metropolitan areas; we did not review these case files as they were not easily accessible; agency affiliates are not responsible for these cases.

Provision of Core Services

Our analysis of April 1984 case files indicates that most refugees received the core services specified in the cooperative agreement, and that nesting services were provided primarily by co-sponsors and orientation and counseling services by voluntary agency affiliates, as shown in tables I.6, I.7, and I.8.

Table I.6

Percent

Service	Received	Not received
Airport reception	99.8	.2
Transportation	99.8	.2
Housing	99.7	.3
Furnishings	98.8	1.2
Food	99.5	.5
Clothing	94.3	5.7
Orientation on public services and facilities	96.3	3.7
public transportation	96.3	3.7
personal and public hygiene	95.7	4.3
personal and public safety	96.5	3.5
Counseling/referrals on health care system	95.8	4.2
health assessment	69.4	30.6
continued therapy	53.0	47.0
employment	84.1	15.9

Table I.7

Percent

Service	Agency affiliate	Co-sponsor	Combined agency & co-sponsor
Airport reception	17.4	76.2	2.6
Transportation	7.4	77.7	1.2
Housing	17.1	68.4	10.7
Furnishings	18.5	66.0	12.2
Food	22.7	45.5	28.5
Clothing	19.7	59.7	16.9

Table I.8

Percent

Service	Agency affiliate	Co-sponsor	Combined agency & co-sponsor
Orientation on:			
public services and facilities	67.6	18.3	11.8
public transportation	63.4	18.7	15.6
personal and public hygiene	64.8	22.5	10.3
personal and public safety	67.5	19.1	10.8
Counseling/referrals on			
health care system	71.1	19.4	5.6
health assessment	82.0	11.5	2.3
continued therapy	11.8	5.2	.3
employment	79.0	11.1	3.5

Refugee Employment

Case files indicated that 14.9 percent (139) of employable age refugees had jobs in various occupations, as shown below, and that 77.5 percent (721) were unemployed. Data was not available for the other 7.5 percent (70).

Table I.9

Type of employment	Percent of 139 Refugees
Clerical, sales, and service	33.1
Miscellaneous, e.g., truck driver	15.8
Benchwork, e.g., fabrication, repair	10.1
Machine trades, e.g., metal working	9.4
Processing, e.g., food processing	4.3
Professional, technical, managerial	3.6
Structural work, e.g., construction	2.2
Agricultural, fishery, forestry	1.4
Data not available	20.1

Over 50 of the 139 employed refugees had jobs within 30 days of arriving in the United States; 36 found jobs in their second month, and 22 in the third month.

In contrast to many unemployed refugees, some refugees forego public assistance completely. For example, a Polish refugee told us that her husband refused to go on welfare even though he said he could not find

a job quickly. He eventually found employment on his own, after concluding that the job the voluntary agency referred him to was low paying and dangerous.

The case files did not provide any information on why 76 of the employable age refugees were unemployed. For the remaining 645 persons, the case files indicated the following primary reasons for unemployment—multiple reasons were given in some cases.

Table I.10

	Number of times cited
Needs or is taking training in English as a second language	460
Needs or is taking vocational training	129
Seeking employment, no offers made	114
Caring for dependents at home	99
In school, academic courses	69
Health problems	60
Other (e.g., plans to go to school, husband supporting, religion, lack job search skills, unwilling to accept minimum wage, not ready to work)	56
Not aggressively seeking employment	52
Prefers cash assistance	13
Had job but voluntarily quit	5
Seeking job but turned down offers	4

Factors Influencing Employment

We analyzed the employment data of the April 1984 refugees aged 16 to 64 to determine if trends existed by which refugees became self-sufficient. As shown below, we found that, as a group the employment rate of Indochinese refugees was lower than the rates of other refugee groups.

Table I.11

	Employable age refugees		
Regional background	Total	With jobs	Percent with jobs
Indochinese	519	51	9.8
European	154	44	28.6
African	103	29	28.2
Near Eastern	79	15	19.0
Cannot determine regional background	5	0	•
	860		
Employment status not available	70	unknown	
Total	**930**	**139**	

Our data also indicate that refugees reunited with close relatives had lower employment rates than those resettled with other family members or friends and those with no ties in the United States.

Table I.12

	Employable age refugees		
Placement	Total	With jobs	Percent with jobs
With immediate family	462	40	8.7
With other relatives or friends	231	46	19.9
No ties	154	53	34.4
Unaccompanied minors or placement code not indicated	13	0	•
Employment status not available	70	unknown	
Total	**930**	**139**	

The April 1984 refugees resettled in California had lower employment rates than those resettled in other areas.

Tale I.13

	Employable age refugees		
Resettlement location	**Total**	**With jobs**	**Percent with jobs**
Los Angeles	358	41	11.5
San Francisco	178	19	10.7
Chicago	138	36	26.1
Northern Virginia, Baltimore, Washington, D.C.	113	27	23.9
Houston	73	16	21.9
	860		
Employment status not available	70	unknown	
Total	**930**	**139**	

Refugees with family members serving as co-sponsors had a lower employment rate than refugees co-sponsored by individuals or American families, church congregations, and other types of co-sponsors.

Table I.14

	Employable age refugees		
Sponsorship model	**Total**	**With jobs**	**Percent with jobs**
Relative	604	71	11.8
Voluntary agency, local affiliate	134	34	25.4
Friend	47	12	25.5
Church, congregation	34	12	35.3
Individual or family	20	8	40.0
Other (not specified)	10	1	10.0
Voluntary agency, headquarters	7	0	0
Community organization	4	1	25.0
	860		
Employment status not available	70	unknown	
Total	**930**	**139**	

Almost one half (63) of the employed refugees for which language skill information was available (132) did not find poor, or very poor, English language skills a deterrent to employment. On the other hand, 505 (71 percent) of the unemployed refugees for which language skill information was available (714) had poor, or very poor, English language skills as shown below.

Table I.15

Level of English language skills	Number of employed refugees	Number of unemployed refugees
Very good	13	18
Good	16	62
Fair	40	129
Poor	36	248
Very poor	27	257
	132[a]	714[a]

[a]Data not available for all refugees.

Many program participants contend that continued contact with refugees is necessary for successful resettlement and for fostering employment. The data below shows the range of contacts provided by voluntary agencies to both employed and unemployed refugees for ages 16 through 64.

Table I.16

Number of contacts	Unemployed refugees (number)	Unemployed refugees (percent)	Employed refugees (number)	Employed refugees (percent)
0	9	6.5	15	2.1
1-5	70	50.7	309	42.6
6-10	35	25.4	220	30.5
11-15	15	10.9	99	13.7
16-20	4	2.9	38	5.3
More than 20	5	3.6	40	5.5
	138[a]	100.0	721	100.0

[a]Data not available for all refugees.

Table I.17 indicates the number and percent of refugees in the April 1984 sample with jobs, by voluntary agency. Because the number of refugees age 16-64 resettled by each voluntary agency ranged so greatly, we did not make comparisons among agencies. Instead, we measured each agency on its own performance record.

Table I.17

Voluntary agency	Employable age refugees with jobs		
	Total	With jobs	Percent with jobs
USCC	286	66	23.0
WRRS	122	9	7.3
ACNS	110	6	5.5
IRC	108	18	16.7
CWS	73	9	12.3
HIAS	63	5	7.9
LIRS	58	13	22.4
PBF	32	4	12.5
Buddhist Council	29[a]	1[a]	3.4
Tolstoy	23	2	8.7
AFCR	21	4	19.0
PAIRC	5	2	40.0
	930	**139**	**14.9**

[a]Many of these refugees were participating in the Council's residential training program.

Refugees Who Applied for Public Assistance

About 64 percent of the refugee cases in the Los Angeles area had at least one member who applied for cash or medical assistance. The comparable statistics for the San Francisco area was over 82 percent. Together these two areas total about 66 percent of all refugee cases with at least one member applying for cash or medical assistance.

Table I.18

Area	Applied for cash and medical	Applied for cash only, medical only or SSI only	Did not apply	Data not available
Baltimore, Wash., D.C., No. Virginia	57.3	•	41.5	1.2
Chicago	47.4	•	42.3	10.3
Houston	51.6	•	45.2	3.2
Los Angeles	59.0	5.0	20.1	15.9
San Francisco	82.1	•	12.5	5.4

Overall, fewer refugee cases applied for food stamps (see below) than for cash and medical assistance (see above).

Table I.19

Area	Applied for food stamps	Did not apply	Data not available
Baltimore, Wash., D.C., No. Virginia	56.1	40.2	3.7
Chicago	41.2	49.5	9.3
Houston	51.6	45.2	3.2
Los Angeles	51.0	28.9	20.1
San Francisco	58.0	25.9	16.1

Two voluntary agency affiliates said they stop working with refugees after the refugees sign up for public assistance. About 70 percent (30) of the 43 affiliates we interviewed said they help refugees apply for public assistance—18 did so on the average in 28 days, ranging from day 1 to day 90; 8 within the first week in the United States; and 14 on an only as needed basis.

Secondary Migration Occurred in 14.4 Percent of the Cases

The State Department and voluntary agencies, using ORR policy guidance, try to place refugees where they have relatives or, if they have no contacts in the United States, where there are refugee support groups. The placement policy attempts to avoid adding refugees to areas that already have large refugee populations. However, ORR statistics indicate that refugees often migrate to these areas believing that better training and employment opportunities exist or to be closer to relatives or established ethnic communities. Our April 1984 sampling agrees with ORR's statistics.

In 14.4 percent of our April 1984 cases, one or more case members left the original resettlement area—29 percent in the first month after arrival, 30 percent in the second month, and 14 percent in the third month.

Seeking employment and joining relatives/friends in California were the primary reasons case members cited for leaving their original resettlement location. Of the migrating refugees, 27 had been with immediate family members, 28 had been with other family members, and 27 had no ties. The largest number of refugees left the Houston area.

Voluntary agencies have no legal authority to prevent refugees from relocating to another area. Officials we interviewed at about 50 percent of the affiliates said they stop providing assistance on learning of a refugee's intent to relocate. However, 80 percent said they contact a sister affiliate in the secondary location.

Voluntary agency affiliates cited numerous reasons for refugee relocation from original resettlement areas. The most frequently cited reasons cited by refugees are shown below.

Table I.20

Reasons	Refugees moving to an area	Refugees moving from an area
High concentration of refugees in area	81.4	•
Availability of jobs	65.1	69.8
Climate	55.8	30.2
Availability of public assistance	51.2	37.2
Educational facilities	32.6	4.7
Availability of adequate housing	16.3	7.0
Medical facilities	14.0	2.3
Low concentration of refugees in area	2.3	16.3

Comments From the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

United States Department of State

Comptroller

Washington, D.C. 20520

December 27, 1985

Dear Mr. Conahan:

I am replying to your letter of November 12, 1985 to the Secretary which forwarded copies of the draft report: "Refugee Reception: Goals of Refugee Reception and Placement Programs need to be Clarified."

The enclosed comments on this report were prepared in the Bureau for Refugee Programs.

We appreciate having had the opportunity to review and comment on the draft report. If I may be of further assistance, I trust you will let me know.

Sincerely,

Joseph H. Linnemann,
Acting

Enclosure:
As stated.

Mr. Frank C. Conahan,
Director,
National Security and
International Affairs Division,
U.S. General Accounting Office,
Washington, D.C. 20548

GAO DRAFT REPORT: "REFUGEE RECEPTION: GOALS OF REFUGEE RECEPTION AND PLACEMENT PROGRAM NEED TO BE CLARIFIED"

SUMMARY

The Department of State welcomes the GAO draft report and concurs with its general findings and recommendations. The draft report recognizes that voluntary agencies are consistently delivering to refugees core services required under their Reception and Placement cooperative agreements with the Department of State. The draft also notes that clarification of program goals and of voluntary agency responsibility regarding refugee employment is needed. In addition, it is recommended that performance standards be developed to measure agency performance. The Department agrees in principle with these recommendations but offers the following comments on some of the draft's observations.

CHAPTER 1

INTRODUCTION

(No recommendations)

The Department wishes to emphasize that the Reception and Placement ("R&P") program is one aspect of a much larger USG effort in providing domestic resettlement assistance to refugees, the overall goal of which is the earliest possible attainment of self-sufficiency. To that end, the Department's cooperative agreement directs that all required R&P services be delivered with this goal in mind and that refugees receive from those responsible for core service delivery during the minimum ninety day contact period every encouragement to become self-sufficient and not dependent on public assistance. Actual employment is neither a requirement of the cooperative agreement nor an expected outcome within the initial 90-day period. However, although funding for employment services has been and remains within the refugee social services budget of HHS, it is the Department's view that all involved in refugee resettlement should actively encourage early self-sufficiency. Where volags or sponsors are able to assist refugees in finding employment outside of the HHS-funded employment service system, these efforts are applauded.

The governing statute, Section 412(b) of the Immigration and Nationality Act, as amended, provides, in part:

"Grants to, or contracts with, private nonprofit voluntary agencies under this paragraph shall be made consistent with the objectives of this chapter, taking into account the different resettlement approaches and practices of such agencies."

See comment 1.

The Department believes that this Congressional instruction to respect the diversity of the private sector agencies is appropriately implemented through a cooperative agreement which provides overall program guidance and which is based upon the concept of general federal financial support through a per capita funding mechanism. Different refugees require different services which result in different costs depending upon their individual skills and characteristics and upon the specific circumstances of their location and private sector support.

CHAPTER 2

RECEPTION AND PLACEMENT GOALS SHOULD BE CLARIFIED TO MINIMIZE VARIED PROGRAM IMPLEMENTATION

Recommendations

"We recommend that the Secretary of State request Congress to clarify the reception and placement program goals, given the varied program implementation and today's refugee population. Without deemphasizing the need for refugee employment, this clarification should focus on the extent to which refugees' self-sufficiency within 90 days of arrival in the United States is achievable and reasonable.

Following such a determination of program goals, we recommend that the Secretary of State require the Director, Bureau for Refugee Programs, to establish and distribute to program participants guidelines for achieving program goals and more effectively placing employable refugees in jobs and reducing their dependence on public assistance."

Department's comments

The Department concurs. We note that a principle objective of the responsible House and Senate Sub-committees over the past two years has been to clarify the role and responsibilities of the voluntary agencies in the Reception and Placement program, and that the Committee reports accompanying the proposed Refugee Assistance Extension Act of 1985 contain sections which address this point. The Department has welcomed the opportunity to participate in the hearings which preceded the issuance of these reports, and we will continue to consult with Congress on the goals and objectives of this program.

-3-

The GAO draft points out that most volags "focus their efforts on the survival core services leaving employment to the longer-term HHS/ORR programs". This practice is consistent with the Department's view of the program's primary purpose, with the terms of the cooperative agreement, and with the guidance provided during regular communications with national voluntary agencies and on-site monitoring of local affiliates. R&P agencies concentrate their efforts on core service delivery, including referral into state-funded social service programs such as employment, ESL or other training. Recent Congressional guidance, expressed in the public hearings and reports on the proposed Refugee Assistance Extension Act of 1985, has stressed the function of the voluntary agencies in providing for the basic needs of refugees through the R&P program. The GAO reports a finding that core services were provided in at least 94 per cent of the cases reviewed.

It has never been a requirement of the Reception and Placement program itself that refugees should become employed within a 90-day period, although the Department encourages any effort which leads to that outcome. Rather, the role of the voluntary agencies is to provide counselling, acculturation services, and orientation to the American world of work in order to prepare refugees for entry into the job market at the earliest possible time. The voluntary agencies are not expected to achieve self-sufficiency within 90-days but to provide a comprehensive mix of core services designed to move the refugees toward self-sufficiency as rapidly as possible.

We agree with the report's observation that greater clarity is needed in the terms used in the cooperative agreement, although the definition of "self-sufficiency" used by the GAO may not be entirely applicable in the refugee context. Some individuals arrive and do not become employed, but are supported indefinitely by relatives outside of the welfare system. The refugee alone may not be self-sufficient but may be part of a family unit which is.

See comment 2.

In addition, a single definition of "employable" -- such as the 16-to-64 age group used by the GAO -- is unlikely to emerge given the varying interpretations assigned to this term by the fifty state public welfare offices who have ultimate authority in making such determinations. Sixteen-to-eighteen-year-olds are entitled to enroll in public school. In at least one major resettlement state individuals over age 45 are deemed "unemployable" by the welfare office.

Given the multiple adjustment problems and barriers to employment facing newly arriving refugees, which are well documented in the report, we judge the 90-day employment data cited -- 15 percent overall and 34 percent of the "free case," non-family reunion placements -- to be an excellent record.

The Department is pleased to note the considerable attention paid by the GAO to the impact of the state welfare and social service systems on refugee resettlement. In the course of conducting twenty-five on-site monitoring reviews, it has become clear to the Department that the success of voluntary agency encouragement of refugees toward early employment is greatly affected by the regulations of these much larger state programs, over whose policies the voluntary agencies have no control.

See comment 3.

Regarding the report's comments that the Department has not specified "how quickly refugees can be or should be directed to public assistance programs," the cooperative agreement stipulates that refugees are to be supported outside of the welfare system for at least the first thirty days. This is to be accomplished either with R&P funds, private sector contributions (including support from relatives), or both. Given the modest level of the R&P per capita grant, this 30-day minimum requirement is as much as can be reasonably expected.

CHAPTER 3

REASONABLE AND MEASURABLE PERFORMANCE STANDARDS NEEDED TO ACHIEVE PROGRAM OBJECTIVES

Recommendations

"We recommend that the Secretary of State require the Director, Bureau for Refugee Programs, to establish reasonable and measurable performance standards and apply them in maintaining refugee program oversight and in managing refugee reception and placement."

Department's comments

The Department accepts this recommendation.

The Department concurs in the view that case management is an important component of any effective service delivery program. We have consistently maintained that documentation of regular contacts with refugees during the ninety day period, completed core service checklists and other case management instruments are essential to the effective provision of R&P services. We have refrained from using the term case management in the cooperative agreement because of the potential confusion with the HHS-funded case management systems existing in some states. These case management systems often provide the basis for a refugee's access to long term social services such as ESL and employment. We, therefore, question the report's suggestion that R&P agencies should also establish

Now p. 32.

See comment 4.

case management systems for employment services, as discussed on page 25 of the draft report, when HHS-funded case managers or employment service providers are performing this function.

The Department agrees that establishment of minimum performance standards corresponding to the requirements of the cooperative agreement will benefit the on-site monitoring process of local affiliates, both by the agencies' headquarters offices and by the Bureau for Refugee Programs. However, it should be noted that these standards will have to be sufficiently flexible to allow for the differences which exist in the resettlement environment from state-to-state.

CHAPTER 4

OVERSIGHT OF RECEPTION AND PLACEMENT PROGRAM CAN BE IMPROVED WITH ADDITIONAL FINANCIAL REQUIREMENTS

Recommendations

"To improve the level of accountability and control needed to adequately oversee the refugee program we recommend that the Secretary of State require the Director, Bureau of Refugee Programs to consider the need to:

a. Require voluntary agencies to submit program and financial reports containing pertinent information needed for effective management oversight.

b. Require voluntary agencies to report total costs of refugee resettlement.

c. Adhere to OMB circulars governing reasonableness and allowability of costs.

d. Impose reasonable restrictions of the use of reception and placement funds.

e. Ensure that voluntary agencies adhere to OMB audit requirements".

Department's Comments

a. The Department recognizes the desirability of obtaining increased information and financial data in connection with the voluntary agencies' provision of reception and placement services. A revised financial report format has been developed to collect the actual cash expenditures of the agencies reflected by Headquarters Support Services, R & P Service Delivery (Local Offices), and Payment to or on Behalf of

Refugees. Under the first two categories, costs incurred for personnel, communications, utilities, space, office supplies, equipment, travel and overhead or other expenses will be reported. The third category for payments to or on behalf of refugees will show expenses for housing, food, health care, clothing, transportation, education and other miscellaneous expenses. The agency's total income, both from the R & P per capita and private non-federal sources are to be reported.

This format has been informally implemented with the agencies for the period beginning October 1, 1985. It will become an integral part of the financial reporting requirements of the cooperative agreement resulting from the next proposal process. We believe this more detailed financial information will enable the Bureau to better judge the appropriateness of its per capita and the extent to which the voluntary agencies are contributing private support.

b. The new financial reporting format will result in the submission by the voluntary agencies of their total cash expenditures broken down by headquarters expenses, local affiliate expenses and payments made to or on behalf of refugees.

c. In connection with the recommendation that the Department incorporate OMB Circular A-122 to ensure the reasonableness and allowability of costs charged to the R & P cooperative agreements, the Bureau will undertake an immediate study to determine whether the full inclusion of these cost principles is in keeping with the per capita payment arrangement. If this review determines that these standards can be adopted by the voluntary agencies without undue hardship or excessive changes in their accounting systems, it would be our intention to have A-122 incorporated in the next R & P cooperative agreement awarded as a result of the new proposal process.

d. Although the Department does not disagree with the recommendation that the Bureau should consider the need to "impose reasonable restrictions on the use of reception and placement funds," we do not accept the implication that there is something wrong with the agencies using these funds to provide "optional" services or to extend services beyond the 90-day period. It is the essence of the federal-private partnership in refugee resettlement that the voluntary agencies have a commitment to their clients which exceeds that which can be spelled out in a contractual arrangement. Resettlement and the achievement of true self-sufficiency in a new society is a long-term process and is best accomplished through a long-term relationship between the refugee and single support agency. Indeed, this is the basic principle of the case management approach which the GAO report praises. Consequently, where a voluntary agency is willing to make that longer commitment and to work with a refugee family to provide ongoing support and intervention assistance beyond the 90-day period, it is federal policy to encourage that private sector initiative.

See comment 5.

Neither is the report correct in implying that voluntary agencies are "spending reception and placement funds on services for which they receive other federal funds." With particular reference to the example of the matching grant program, the Department and HHS collaborated during the drafting of both the cooperative agreement and the matching grant announcement to ensure that this would not occur. Thus, the ORR program document makes explicit reference to the disallowing of expenditures on R & P core services. For its part, the R & P cooperative agreement requires:

> "In the event that the (agency's) activities related to the provision of Core Services or Optional Services are also eligible for funding under other federal government grants or agreements, the Bureau and the (agency) shall consult each other and any other federal agency concerned to prevent attribution of the same expenditures to two separate federal funding agreements." (Article IV(b)(1).

Now pp. 45 and 46.

For these reasons, the Department recommends that the reference paragraphs on pages 40 and 41 of the draft report be deleted from the text.

e. Although the current cooperative agreement includes the requirement for audit specified in OMB Circular A-110, the Bureau is agreeable to be more specific and to ensure that the audit requirements are met. As with OMB Circular A-122, the Bureau will incorporate the appropriate provisions of A-110 in the new awards resulting from the next proposal process.

James N. Purcell, Jr.
Director
Bureau for Refugee Programs

The following are GAO's comments on the Department of State's letter dated December 27, 1985.

GAO Comments

1. We recognize the diversity of people and environments which confront voluntary agencies while they provide newly arrived refugees with the services needed to receive, place, and resettle them in a manner that they can quickly achieve self-sufficiency. We neither intended to imply that all voluntary agencies should be required to use a single method of providing core services for refugees nor that all refugees must achieve self-sufficiency within 90 days. It is within that context, however, that we believe that clarification is needed of what the voluntary agencies given grants under the initial reception and placement programs are expected to accomplish, in more definitive terms. We believe effective program management requires the State Department to be able to monitor and evaluate (1) the extent to which voluntary agencies—both singularly and as a group—have achieved expectations, (2) how expectations were achieved, and (3) the availability of, and consequences of not using, alternative ways to accomplish the reception and placement program goals.

2. As we commented on page 27, due to the absence of established criteria, we adopted the 16 to 64 age group to help gauge the achievement of self-sufficiency by refugees in the April 1984 population sample cited in the report. We do not intend to imply that the State Department and voluntary agencies should apply that definition to the term "employable refugees". We do believe, however, that age and other factors can be used to help gauge how well the goals of "employment and self-sufficiency", once defined, are being met. Such information is pertinent for more efficient implementation and management of an effective refugee resettlement program.

3. We recognize that the Department's cooperative agreement with voluntary agencies encourages the agencies to preclude refugees' dependence on public assistance during their first 30-days in the United States. The report was modified to remove the cited question. However, some refugees do access public assistance in less than 30 days. We continue to believe that in establishing when refugees can or should be directed to public assistance programs, clear definitions of employable and unemployable refugees would be important elements of the overall criteria.

4. As stated in comment number 1, and on page 37 of the report, we recognize that there is diversity in characteristics and skills of refugees being admitted into the United States as well as in the resettlement environment from state to state. Thus, we concur that there is a need for flexibility in the voluntary agencies' approaches to, and methods in, delivering core services to refugees, with effective emphasis on early employment. We believe, however, that the establishment and application of minimum performance standards would provide a tool not only to assist State and the agencies in monitoring the services of local voluntary agency affiliates but also to help State gauge the efficiency of the services rendered and the resulting accomplishments of voluntary agencies within common environments as well as nationwide.

5. As stated on page 49, we did not intend to imply that voluntary agencies were misusing per capita grant funds, but we believe that reasonable restrictions on the agencies' use of funds would assist the Department in managing and evaluating the refugee reception and placement services. Further, on page 46, we point out that, in some cases, voluntary agencies receive federal funds from the per capita grant program and at least one other federal source within the initial 90-day timeframe for the reception, placement and resettlement of a refugee. We neither say that, in some such instances, voluntary agencies are spending reception and placement funds for services which should be covered by other federal funds nor that voluntary agencies use reception and placement funds as part of a base for the receipt of matching grant funds available under another federally supported program. We believe, however, that State cannot effectively monitor and evaluate reception and placement services with attribution to per capita grant funds without the ability to distinguish between the use(s) of per capita grant funds and other available funds. Certain editorial changes were made on page 46 to eliminate any implications that we have evidence that voluntary agencies are misusing per capita grant funds.

Comments From Interaction

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

InterAction
American Council for Voluntary International Action

December 23, 1985

President and Chief Executive Officer
Executive Committee
First Vice Chair
Second Vice Chair
Secretary
Treasurer
Assistant Secretary
Assistant Treasurer

Mr. Frank Conahan, Director
National Security and International
Affairs Division
United States General Accounting Office
Washington, DC 20548

Dear Mr. Conahan:

We appreciate the opportunity to comment on your proposed draft report on Refugee Reception and Placement. Officials of the agencies represented on the Committee on Migration and Refugee Affairs have reviewed the report among themselves and discussed it with their respective staffs and offer the following comments jointly. Individual agencies may address additional comments to you separately

GENERAL COMMENTS

We were pleased that you found that nearly 100% of the refugees received core services from their sponsoring agencies. At the same time, we were not surprised that the chief problem you identified was the failure of refugees to achieve self-sufficiency within the grant period. We believe that your discussion of self-sufficiency will bring to the attention of the Congress some of the real problems the resettlement agencies face in this regard.

While the report addresses the need for clear goals for the resettlement program, it does not fully take into account the larger goals of the U. S. refugee program as an integral part of a major national humanitarian effort and U. S. foreign policy. Nor does it sufficiently recognize the inherent value to the United States of a program which allows maximum flexibility in response to crises. The Reception and Placement grant mechanism has worked well and in a cost-effective manner in a number of refugee emergencies. It has also permitted the rapid contraction of programs when services are no longer needed. The grant mechanism also takes into account the plurality of structures involved in resettlement and permits the program to tap the diverse resources of religious denominations and local religious and civic groups.

VALIDITY OF SAMPLE

See comment 1.

We are not certain that the sample you chose to study is sufficiently typical to warrant the generalizations contained in

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your findings. Over 50% of your sample was taken from California, a high welfare, low employment state in refugee terms and an area which features agency rather than congregational type sponsorship. Of the other areas studied, the DC metropolitan area, especially Northern Virginia, has a history of high welfare utilization. Your study found a relatively low rate of employment in Houston, which should be surprising based on the low cash assistance payment there. However, as many entry level jobs in the Houston area do not provide medical benefits, it is generally admitted that refugees seek to stay on welfare even after obtaining jobs in order to continue medical coverage. It should be pointed out that there are many places in the country, among them Arizona, Florida, North Carolina, and parts of Texas, where employable refugees do become self-sufficient through employment within 90 days.

SPECIFIC COMMENTS

Your study focused on Congress' interest in the State Department's management of the resettlement program and the voluntary agencies' use of program funds. You designed the study to consider these issues under three major concepts:

1.) The status of refugees' achievement of self-sufficiency within the 90 day grant period and whether the grant funds help move them toward that goal.
2.) The State Department's management of the program--specifically whether it had established standards of performance and held the voluntary agencies to them.
3.) The extent to which voluntary agencies accounted for program funds granted to them.

We would like to make some specific comments on your findings in these three areas.

SELF-SUFFICIENCY

Employability Parameters

See comment 2.

First, we believe your age parameters for employability are too broad. Based on our experience, we do not believe it is realistic to consider all persons between 16 and 64 years of age as generally employable. The regulations of ORR and of many states permit most 17 and 18 year olds to continue secondary education. Very few refugees over 60 can be considered employable. The Refugee Processing Centers in Southeast Asia for example, do not provide ESL for refugees over 55 and, from our experience, most Southeast Asian refugees consider themselves unemployable at 55 and are so considered by other Southeast Asians, especially if they have no knowledge of English.

Unrealistic Goal

Your report indicates that in the areas studied, refugees by and large, do not attain self-sufficiency in the first 90 days. It cites doubt among local voluntary agency staff concerning the possibility of refugees' attaining self-sufficiency through employment in that period. In most resettlement locations, including all of those included in your study, the Federal Government through HHS/ ORR funds extensive employment service programs for refugees who recently arrived and for those who have been here for some time. In most cases, the resources available to provide these services are vastly greater than those available to the voluntary agencies for initial core services. Our agencies do provide pre-arrival counselling to sponsors of employable refugees and to such refugees themselves regarding the desirability of becoming employed as soon as possible. However, we have no control over how the system operates and if refugees wish to go on public assistance and at the same time study English, in most places they are permitted to do so.

You eventually exculpate the voluntary agencies to a large extent for the refugees' failure to achieve self-sufficiency in the grant period, recognizing the non-employability of many refugees as well as the easy accessibility of welfare and English language training, especially for Southeast Asian refugees. You recommended that the State Department ask Congress to clarify its own expectations regarding self-sufficiency within 90 days.

See comment 3.

The report seems to imply that early self-sufficiency is a requirement recently imposed on the resettlement agencies. This is far from the fact. Early self-sufficiency through employment has long been our goal. Before welfare became available as the principal interim support mechanism for refugees and before medical care became prohibitively expensive, employment for the newly arrived refugee immediately after arrival was essential for survival and a routine expectation for both the refugee and the agency. While self-sufficiency for employable refugees through employment within 90 days is still achievable in many parts of the country, we believe that under present circumstances in the communities under study and in many others, it is not a realistic expectation, and endorse the call for a Congressional clarification.

Goal Clarification

In this connection, it might be helpful if your report pointed out that neither espousal by Congress of early self-sufficiency as the goal of resettlement, nor guidance to the agencies by the State Department in encouraging refugees to early self-sufficiency, can by themselves bring about this result. While expressions of support for that goal may be helpful, neither clarification nor exhortation is likely to effect the changes

needed. Under existing circumstances, "employability" is defined neither by the Congress, the Department of State, nor the voluntary agencies, but by State and County welfare rules and practices, which, while designed to protect the most helpless in society, provide equal protection to even the employable who seek their shelter.

Given these realities any proposed remedies will have either to deal with these local rules and those who implement them or by-pass them. Some current Fish-Wilson demonstration project proposals address the problem through case management systems which seek to enlist the cooperation of local welfare officials. The Match Grant Program generally brings employable refugees to self-sufficiency within four months by providing case management and interim support through matched private and federal funds rather than the welfare system. The now terminated Chicago Project brought most employable refugees to self-sufficiency within six months, using voluntary agency administered interim support which enabled them to move into employment without utilizing the welfare system.

We would hope that in any Congressional clarification, provision would be made to study not only the communities included in the report, but also those areas where self-sufficiency can be and is being achieved within 90 days. We would hope also that the Congress, rather than adjusting the program goal to the circumstances, would seek either to change the circumstances, if that is possible, or authorize a means of by-passing them for employable refugees.

PERFORMANCE STANDARDS

The agencies have no objection to being held to performance standards so long as the objectives of the program are clearly defined and realistic and the activities measured are essential to good resettlement. We would prefer standards that encouraged private-sector involvement.

You compare the R&P program unfavorably with the Match Grant which has clearer goals and more measurable performance standards. While this is true, it is also true that the Match Grant provides much greater funding. We have found that the Match Grant demands more statistical reporting and documentation, and is, therefore, more expensive to maintain. It is likely that the development and maintenance of similar systems for the R&P grant would require additional staff and, consequently, funding.

FISCAL ACCOUNTABILITY

Some Changes Made

We recognize the need to account for public funds and the

possible need for improvement in the accounting and fiscal reporting requirements of the Cooperative Agreement on reception and placement. We believe that recent changes in the State Department's fiscal reporting requirements meet some of the criticism regarding the voluntary agencies' difficulties in reporting the full cost of resettlement. These changes should also address concerns over how grant funds are used and to what extent voluntary agencies generate private outside resources.

Need for Flexible System

See comment 4.

We would hope that you would not recommend the imposition of a highly detailed and rigid system on a program that requires maximum flexibility. As you note, the voluntary agencies have been involved in resettlement on their own before the evolution of our social security and medical assistance systems. We are still as dedicated to the task as ever and hope to avoid regulations that might prevent our meeting the needs of refugees as we have traditionally seen them. There are many areas of the country where there are no extensive social service programs or where refugees have needs that are not addressed by existing programs. We hope that no regulations would be imposed which would require us to abandon such refugees after 90 days or prevent us from serving their unforeseen needs.

Undoubtedly, there will be refugee crises in the future which the United States will have to respond to with offers of resettlement. We hope that the changes you recommend will allow for the flexibility necessary to respond to such crises, and while meeting the government's needs for accountability will not stifle the spirit of pluralism and spontaneity that has characterized the U. S. refugee program in the past and has allowed the U. S. to provide world leadership in these humanitarian efforts.

Program Has Worked

We would hope that the report would recognize that the program has worked well and has served the national well. We submit that it has achieved even its presumed goal of refugee self-sufficiency in many areas of the country. Even as presently constituted, the program could be much more effective if those outside factors, which, exert so much greater influence on outcomes than the voluntary agencies, could be brought under control.

NOTES ON THE STATISTICAL TABLES

See comment 5.

Now on pp.56-59.

We believe that because they fail to distinguish between Southeast Asian and other refugees, the statistical tables in your report which seek to demonstrate relationships between refugee employment and a number of individual variables (pp.54-

57) lack cogency. We believe that the great difference in the employment rates of Southeast Asian and non-Southeast Asians outweigh the control variables and is more accountable for the results than the control variable. We believe you would get significantly different results if you tested the variables against these populations separately.

See comment 6.

Your study reports food stamp use in the same way as it does cash assistance. While we see many instances of the inappropriate use of cash assistance, we do not make the same observation about food stamps. We have always understood that the food stamp program was a Department of Agriculture program intended to benefit all low income people, cash assistance recipients as well as low income workers.

See comment 7.

REQUESTS

1.) We would propose that you recommend that Congress either 1.) endorse the concept of a brief but sufficient interim refugee support system outside the welfare system or 2.) consider making federal reimbursement of State welfare costs contingent upon State and local cooperation with the goal of early self-sufficiency.

2.) We ask that you add a comment to page ii of the Executive Summary that, although you found the goal of refugee self-sufficiency within the first 90 days unrealistic, the program has worked well in receiving and placing refugees into communities where, with clarification of goals and participant roles, they can pursue self-sufficiency in an appropriate time frame.

3.) We request that in page iii of the Executive Summary entitled "Early Employment Not Achieved," you include in your findings (pp. 18-20) that in the communities studied it is not realistic under present circumstances to expect refugees to achieve self-sufficiency within the 90 day grant period.

Now pp. 23-24.

Again, let me thank you for the opportunity to express our views.

Sincerely yours,

Karl D. Zukerman

Karl D. Zukerman, Chairman
Committee on Migration and
Refugee Affairs

The following are GAO's comments on InterAction's letter date December 23, 1985.

GAO Comments

1. We agree that refugee reception and placement in small communities and other areas in the United States where fewer refugees reside may differ somewhat from that in the highly concentrated refugee resettlement areas where this report's refugee population sample was primarily drawn. It is reasonable to assume that voluntary agencies encounter fewer problems in guiding refugees to employment in areas where fewer persons are needing help in seeking employment. We also recognize that since April 1975 refugees from southeast Asia have been placed in, and migrated to, particular areas in the United States. Therefore, because many new refugees are arriving as family reunification cases they tend to move into areas already heavily populated with refugees. Such areas may tend to feature agency, rather than congregation, type of sponsorship.

A high percentage of our sample population falls into the large city, highly concentrated areas. We designed our population sample to cover areas where refugee resettlement tends to flow. The number of refugees placed has direct correlation with the amount of per capita grant funds the State Department paid to voluntary agencies. The five geographical areas we selected were located in five states and the District of Columbia, where the placement of about 49 percent of the refugees arriving in 1984 was concentrated. The remaining 51 percent were placed in the other 45 states. Therefore, we believe that our conclusions and recommendations address the more serious problems confronting voluntary agencies and refugees in their resettlement efforts. Clarifying program goals, establishing performance standards, and improving financial accountability should benefit participants in all areas of the United States where refugees resettle.

2. We did not intend to define any terms for continued reception and placement program use. But because there is no criteria for employable refugees and because we needed a base for qualitative measurement, we adopted the 16-64 age group to help gauge refugee self-sufficiency and program effectiveness.

3. We did not intend to imply that early self-sufficiency is only a recent requirement of the reception and placement program. We recognize that employment was crucial for the program in the mid-1970's (see our report U.S. Provides Safe Haven to Indochinese Refugees; GAO/ID-75-71,

pp. 50-52). Further, we recognize that employment for refugees immediately after their arrival in the United States was essential for survival and a routine expectation of both the refugee and the voluntary agency before welfare became available as a principal interim support mechanism.

4. There is a need for flexibility in voluntary agencies' approaches and methods concerning delivery of core services for refugees and encouragement of refugee self-sufficiency. We are not suggesting that a highly detailed and rigid system be required of agencies participating in the per capita grant program nor do we support regulations requiring voluntary agencies to abandon refugees after 90 days in the country. However, we are highlighting the need for improved accountability and control of federal funds.

5. We designed our refugee population sample for 100 percent representation of all refugees, regardless of their countries of origin, in the five areas selected. We agree with the voluntary agencies that differences may exist in the core services needed by, and the rate of employment of, Southeast Asian refugees and non-Southeast Asians. We also recognize that the majority of refugees admitted into the United States since 1975 have been from Southeast Asia (see p. 10 of the report). Our conclusions and recommendations, however, are directed at the refugee reception and placement program as a whole, not at particular segments of the refugee population, and allow for flexibility in achieving program goals for all types of refugees.

6. We only cite food stamps as a type of public assistance available to, and provided to refugees (The Department of Agriculture estimated that food stamps valued at $152.5 million were committed to refugees in 1984). Further, we neither evaluate the correctness of public assistance provided to refugees nor refer to inappropriate use of cash assistance.

7. We are not in a position to recommend that the Congress follow either of the two alternatives the voluntary agencies proposed, because analyses of state and local welfare systems were not within the scope of our work.

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